

**ACHIEVEMENT OF MARKET-FRIENDLY INITIATIVES AND
RESULTS PROGRAM**
(AMIR 2.0 Program)

Funded by the US Agency for International Development

Investment Promotion (IVP)

Report on Phase III: Trips 2 & 3

Final Report

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Acronyms and Abbreviations

ACC	Amman Chamber of Commerce
ACI	Amman Chamber of Industry
AMIR	Access to Microfinance & Improved Implementation of Policy Reform (Project)
ASEZA	Aqaba Special Economic Zone Authority
ATASP	Aqaba Special Assistance Support Project
CEO	Chief Executive Officer
DDI	Direct Domestic Investment
EJADA	Euro-Jordanian Action for Development
FDI	Foreign Direct Investment
FZC	Free Zones Corporation
GOJ	Government of Jordan
IDA Ireland	Industrial Development Authority of Ireland
ITF	Investment Task Force
JAED	Jordanian Authority for Enterprise Development
JEDCO	Jordan Commercial Centers and Export Development Corporation
JIB	Jordan Investment Board
JIEC	Jordanian Industrial Estates Corporation
JISM	Jordan Institute of Standards & Metrology
MIT	Ministry of Industry & Trade
MOICT	Ministry of Information & Communication Technology
MOL	Ministry of Labor
MOP	Ministry of Planning
NLP	National Linkage Program
PSPI	Private Sector Policy Initiative
QIZ	Qualifying Industrial Zone
USAID	United States Agency for International Development
VTC	Vocational Training Corporation
WAN	Wide Area Network
WTO	World Trade Organization

Executive Summary

Background

The AMIR Program provided considerable technical assistance to the Investment Committee during the first half of 2002, in developing the concepts and framework for a major reform of Jordan's investment promotion and enterprise development entities. Within this framework the creation of a Jordanian Authority for Enterprise Development (JAED) was envisaged - draft laws and regulations for which were also produced.

The tasks relating to this Consultancy (which spans a time frame from October 2002 until January 2003 and which involved two trips by the consultant to Jordan) refer to moving forward on the implementation of this reform package. The tasks include providing technical assistance relating to the establishment of JAED, technical assistance to the Jordan Investment Board (JIB), to the Jordan Export Development and Commercial Centers Corporation (JEDCO), to the Jordan Industrial Estates Corporation (JIEC) and to the Free Zones Corporation (FZC).

Introduction

The previous Report [Investment Promotion (IVP) Phase 111 – Trip 1] provides detailed background to the work of the Investment Task Force and to that of the Investment Committee. The AMIR Program worked intensively with the Investment Committee during the first half of 2002 and developed a full package of proposed reforms, aimed at creating a Sustainable Institutional Framework for Investment Promotion and Enterprise Development. The creation of a JAED, reform of the JIB, dissolution of the current JEDCO and its replacement by the Jordan Enterprise Development Corporation, some modifications to the JIEC and a number of associated changes formed the central components of this package.

In July 2002, the Investment Committee presented its Report to the Minister of Industry & Trade. It had been expected that the Committee's recommendations would be put to, and endorsed by, Cabinet during the summer of 2002, and to the Legislative Bureau immediately thereafter. Regrettably, this has not yet happened, up to the time of writing of this Report – end of January 2003.

The AMIR Program stands ready to provide technical assistance to the implementation of the proposed reform program, but cannot, as yet move forward in the detailed way that was envisaged. Nevertheless, there are a range of initiatives that the PSPI Component of the AMIR Program has identified, on which action is being taken immediately, which will improve and strengthen the existing investment promotion and enterprise development entities in Jordan. Such assistance will have lasting benefit to these organizations and does not conflict with the setting up of JAED or with the proposed reform of the entities. This report describes the evolving situation and details the current initiatives that the PSPI Component is leading.

JAED Legislation.

Ongoing discussions were held between the Minister of Industry & Trade, the Prime Minister, the Minister of Finance, the Minister of Planning and the Minister of National Economy. Staff from the PSPI Component provided technical support, upon request.

These discussions concerned many aspects of the proposed JAED package of reform. Central issues related to the chairmanship of JAED, JIB, JEDCO and JIEC; representation of the Ministry of Finance on appropriate boards; the number of board places to be given to private sector members. In addition, the draft new Investment Law provoked much debate, mainly because of the proposal that would allow for amendments to Jordan's incentive regime by a process of amendments to Regulations.

JAED Institutional Development.

Until JAED is legally established, little progress was possible directly under this heading. However, preliminary preparations and plans were developed.

Investment and Export Research and Policy

The PSPI Component has commissioned a number of important research assignments, relating to improving the enabling environment for investment in Jordan. The output of these studies includes:

- **2002 Investor Roadmap.**

The 2002 Investor Roadmap Study was completed. This Roadmap reflects the steps that an investor has to take in order to establish, run or expand a business in Jordan. The 2002 Roadmap Study is an update of a previous Study, carried out in 1998. It highlights improvements made over the past few years, and analyses further improvements necessary. Structured in four major sections – Reporting, Employing, Locating and Operating, the Study establishes a list of prioritized action items. Significant problems and inefficiencies relating to Business Registration, Licensing, etc. remain. To address these particular issues as a priority, a working group has been established. A Workshop was held in Amman, on 19th November, to present the findings of this Report to key stakeholders. Some 80 persons attended this Workshop. The many recommendations for action, contained in the Report, have been categorized by priority and will be addressed during 2003. As with the Review of Financial Incentives for Investment (see below) this Roadmap provided valuable guidelines to those involved in drafting the new Investment Law.

- **Review of Financial Incentives for Investment.**

Finalization of a Report on Jordan's Financial Incentives for Investment occurred. Following a review of the incentives offered to new investment projects in Jordan, the Report recommends that consideration be given to harmonizing all tax incentives in Jordan. A uniform corporate tax rate, in the range of 20 to 25% is recommended. Further study on this topic will be undertaken in 2003. Reference is being made extensively to this report as a guideline document in the process of drafting the new Investment Law.

- **Competitor Analysis.**

Comprehensive analysis of regional competitors for FDI commenced during the quarter. This analysis will provide in-depth information on the FDI focus, strategies, targets and results of four competitor countries (Egypt, Tunisia, Dubai and Israel) and will compare Jordan's competitive position against each. It will identify key sectors or clusters in which Jordan has competitive advantages. This is a major piece of work and will become a vital reference document for JIB and for JEDCO in the development of their marketing and company development plans for the future. It will also be an invaluable reference document for JAED.

- **Development of Marketing Strategies.**

JIB is being assisted to improve its FDI promotional and sectoral marketing strategies. The first 'tranche' of assistance relates to the pharmaceutical / fine chemical manufacturing sectors. A highly experienced consultant, from IDA Ireland, is providing practical, 'hands-on', training to JIB staff. The training encompasses the areas of research, use of databases, design of promotional material, development of marketing messages, planning of overseas representation. He recommended focusing on attracting mobile inward investment in the generic drugs area, from Europe (initially) and from North America. The consultant presented the findings of his work at a Workshop held in Amman, in January. The consultant is maintaining contact with JIB and plans to assist JIB in its proposed participation in major international meeting of pharmaceutical manufacturers in Lisbon, Portugal in June. Further, sectorally-focused, strategic marketing assistance will be provided to JIB throughout 2003.

- **Review of Information Systems.**

The completion of the Report on the Information Systems in place in Jordan's Investment Promotion and Enterprise Development entities (referenced against the Information Systems in place in Ireland's Forfás) will allow this document to be used as a base-line reference study that will be built on, in the years ahead, in the design and construction of a national Integrated Information System in Jordan.

National Backward Linkages Program.

Work also commenced, to lay the foundations for the establishment of a National Backward Linkages Program in Jordan.

Investment and Export Promotion.

- Senior management in JEDCO engaged in dialogue with IVP Sub-Component staff, to introduce and discuss the implications of the proposed new roles of JEDCO under the JAED reform scenario. Management responded enthusiastically to the proposed new roles for the organization.
- Meetings were held with ASEZA and with ATASP in Aqaba, to improve co-ordination, to share experiences and to discuss marketing strategies and investor tracking systems.
- An in-depth organizational review of JIEC commenced. Particular attention is being paid to the appropriate managerial and departmental structures in the organization and to the introduction of new and more progressive pay scales and conditions.

Counterpart Workshop and Presentation to USAID, Subcontractors and counterparts.

A Counterpart Workshop, held in Amman in October, coincided with the annual process of work planning and budget preparation for the year ahead. This involved staff from a number of the Components of the AMIR Program, together with representatives from the Ministries of Industry & Trade, Planning and Agriculture, client organizations, many business organizations, and subcontractors. Subsequently, the detailed work-plans for the PSPI Component, for the year 2003, were presented to, and discussed with, USAID and other donor organizations. That event took place on 18th November 2002 and also included representatives from the Ministry of Industry & Trade, and client organizations.

Recalculations of the operational budget for 2003 consumed considerable time and effort during the following two month period. Some rescheduling of planned activities was inevitable, with consequent impact on the range of technical assistance activities to be carried out.

Technical Assistance to JIEC.

Under a technical assistance assignment commissioned by the IVP Sub-Component of PSPI, intensive study took place of JIEC's organizational structure and employment conditions. This technical assistance is being provided, in the light of the JAED Reform proposals, to help JIEC prepare itself for its future role. The consultants presented their initial recommendations, to the Director General of JIEC in January 2003. The assignment is on-going.

Private Property for Enterprise.

In parallel with the assistance being provided to JIEC, a review of private industrial estates commenced. The review is being carried out in order to get a comprehensive picture of all property options available to investors.

Overall.

Regrettably, the passage of the JAED package of laws and regulations through the Legislative Bureau has not yet happened. It is highly desirable that government efforts are channeled into finalizing the internal debates concerning JAED, and into achieving formal approval. The implementation process represents a formidable challenge and needs the urgent, full and wholehearted support of all concerned.

Conclusions and Recommendations

Given the above comments, and recognizing that this process of reform and improvement is an on-going and evolving one, the following recommendations are made:

1. Formal and immediate submission of the concept and draft laws of the JAED Reform Program to the Legislative Bureau is vital, by a team comprising a 'project champion', backed up by experienced and very capable and supportive technical assistants.
2. There is a need to get real political commitment to implement the JAED package. Full and final agreement among all members of the Cabinet on the JAED reform package is required.
3. Clarity regarding the availability of adequate funding for the reform program, on a sustained basis, over a period of years (3 years to 5 years) is required.
4. Long term, consistent, government policies are needed and long term commitment to providing adequate funding.
5. It is highly desirable that a mechanism be put in place to measure, accurately, rigorously and regularly – Jordanian economic expenditures arising from those firms or projects that enjoy the benefits of incentives.

6. Following on the need to pass the laws, there is the need to appoint the members of the boards. Deep and careful consideration must be given to arrive at the optimal composition of each board.
7. The boards will, in turn, need to select world-class CEOs. It is crucial that world-class chief executives be recruited, to head up the reformed organizations. Consideration needs to be given, now, to this process.
8. One of the success factors of the JAED Reform Program will be the introduction and adoption of 'progressive' personnel regulations. These proposals need to be considered carefully, debated as appropriate, and their introduction and adoption committed to.
9. Preparations need to be made for the staff changes that are implied by the reform proposals.
10. Develop and start a 'JAED Communications Program'.
11. Resources are required to be applied to research into identifying appropriate marketing messages for Jordan, building credibility, and a positive and attractive image, leading to increased levels of inward investment and enterprise development.
12. More analysis of export opportunities and how to capture and capitalize on them, is required.
13. There is a need for improved and smoother coordination and sharing of information among relevant official public and other entities involved in the investment promotion and facilitation process.
14. The development of an agreed plan for an integrated (national) information system should be encouraged, facilitated and funded.

Chapter 1: Introduction

Background To This Assignment

The Investment Task Force (ITF) that was created in 2001 by the Economic Consultative Council, headed by H.M. King Abdullah 11, had been given the mandate to explore ways to improve the environment through which more direct inward investment can be attracted to Jordan, enterprise encouraged and developed, and exports increased, as a way of accelerating and widening economic growth in Jordan. The ITF followed a two-track approach for investment development:

- Track 1. Quantitative Sectional Analysis Targeting Growth, resulting in improving sector and national competitiveness and profitable returns.
- Track 2 Bridging the macro-micro gap through a Sustainable Institutional Framework, leading to improving the process governing the relationship between the involved parties.

Among the key recommendations in the ITF report was that Jordan adopts an institutional framework and approach to enterprise development based on the successful Irish model. Following the presentation of the ITF report, the Prime Minister created the smaller Investment Committee, with members drawn from both the private sector and from some of the existing investment promotion and facilitation entities, with a mandate to come up with a detailed plan to implement the recommendations in the ITF report, focusing specifically on an institutional framework based as closely as possible on the Irish model.

The Investment Committee recognized that the fundamentals of success in Jordan would be to design international best-practice structures for the relevant corporate entities, establish sound mechanisms for effective interaction between these entities, and reform and modernize the regulatory situation relating to investment and enterprise development. These mechanisms include “interlocking” Boards (i.e. having common directors on the Boards of the entities), linking information systems, and a funding flow mechanism that would be effective.

These entities, responsible for the development of enterprise strategy recommendations and for implementing national enterprise strategies, should all have official public corporation status, guided by progressive regulations, particularly regarding personnel issues. One of the keys to the success of these entities will be their ability to recruit, develop, and retain talented and highly motivated, private-sector oriented individuals. Government needs to recognize the national importance of providing adequate funding to the new entities and must have confidence that the entities will function effectively and deliver the national economic improvements that are desired.

The AMIR Program worked intensively with the Investment Committee during the first half of 2002 and developed a full package of proposed reforms, aimed at creating a Sustainable Institutional Framework for Investment Promotion and Enterprise Development. Central to this package was the creation of a Jordanian Authority for Enterprise Development (JAED), reform of the Jordan Investment Board, dissolution of the Jordanian Commercial Centers and Export Development Corporation and its

replacement by the Jordan Enterprise Development Corporation, some modifications to the Jordan Industrial Estates Corporation and a number of associated changes.

Phased Approach

The Investment Committee recognized that this comprehensive process of reform in Jordan should be tackled in three phases:

Phase One. A new entity (JAED) — dealing with enterprise strategy and policy formulation, coordination, and monitoring, as well as national competitiveness—is established. Other core entities—those dealing with promotion and facilitation of inward direct investment; promotion and facilitation of enterprise development; promotion of exports; and, provision of industrial property—are reformed.

Phase Two. Industrial property functions are further reformed, and the two major public corporations involved in provision of property for industry (JIEC and FZC) are integrated. Incentives for enterprise and investment in Jordan are reformed. Project licensing procedures are streamlined.

Phase Three. Broad coordination is established between core entities and other entities working in relevant areas, such as the Vocational Training Corporation (VTC) and the Aqaba Special Economic Zone Authority (ASEZA).

Final Report of Investment Committee.

By August 2002, the Investment Committee, with significant technical assistance from the AMIR Program, had finished its work. The Prime Minister and the Minister of Industry & Trade received copies of the Final Report, including all the material on a CD ROM. It was anticipated that the Cabinet would review and discuss the JAED reform proposals in close detail shortly thereafter, and that the draft laws would be put forward to the Legislative Bureau for appraisal and endorsement. Some time delays occurred, however, as described later in this Report. Executives within the PSPI Component continued to maintain close liaison with the Ministry of Industry & Trade and with the individual investment promotion and enterprise development entities. These latter discussions served well, in terms of gaining deeper and more comprehensive understandings of the operations of each of the entities, and of identifying more closely, ways in which we could offer relevant, individually-tailored, technical assistance inputs. Among the important initiatives taken by the PSPI Component are: (i) commissioning a comprehensive analysis of Jordan's competitive position for attracting inward direct investment; (ii) providing assistance to JIB in developing its marketing expertise; (iii) undertaking an analysis of private property for enterprise; (iv) conducting an analysis of industrial databases in Jordan, in the context of development of a National Backward Linkages Program; and (v) providing assistance to JIEC regarding a planned organizational restructuring. Other assignments, such as the 2002 Investor Roadmap Study and the Review of Financial Incentives for Investment, were satisfactorily concluded.

Chapter 2: Report on Progress

2.1 Developments at Government Level

As reported in the Report on Trip 1 of this assignment, a copy of the full Final Report of the Investment Committee had been given to the Minister of Industry & Trade during the month of July and discussed with him. It was anticipated that the Minister would discuss and agree the full Reform Package with his Cabinet colleagues soon thereafter and that the Reform Package would be submitted to the Legislative Bureau for its review and examination. Because of the fact that the full package of reform measures has not yet been submitted formally to Cabinet, the PSPI Component of the AMIR Program has identified areas in which we could move ahead with technical assistance - to existing entities. Such assistance will be constructively useful to these entities, in any event, and is not totally dependent on the proposed legislative reform.

2.2 Investment and Export Research and Policy.

Reference is made, below, to three initiatives:

- Finalization of the 2002 Investor Roadmap Study.
- Completion of the Review of Financial Investment Incentives in Jordan.
- Commencement of a major review of Jordan's competitive position, in the region, for attraction of FDI.

A short narrative on each of these important assignments follows.

The 2002 Investor Roadmap.

The 2002 Investor Roadmap tracks and describes the steps that an investor has to take in order to establish, run or expand a business in Jordan. The 2002 Roadmap Study is an update of a Previous Study, carried out in 1998. It highlights improvements made over the past few years, and analyses further improvements necessary. Structured in four major sections – Reporting, Employing, Locating and Operating, the Study established a list of prioritized action items. Details on the Study's findings are contained in Annex A. Key points are summarized below. Note that the tabulation follows a pattern of first identifying the issue, and then setting out the recommendations:

Employing – Issues (matters that still need attention)

- Review of work permits
- Permit duration
- Case-by-case negotiation

Employing - Recommendations

- Implement small, quick improvements [Ministry of Industry & Trade (MIT), Ministry of Labor (MOL)]
- Develop clear rules for Qualifying Industrial Zones (QIZ) local hiring and training obligations (MOL, JIB, MIT)
- Restore cooperation on expatriate work permits (JIB, MOL, MIT)
- Improve efficacy of Jordanian workforce training (MOL)

Reporting – Issues

- Related Company Registration requirements cumbersome
- Sectoral licensing difficult
- JIB duty exemption slower than necessary

- No comprehensive guides for investors
- Little information in foreign languages

Reporting - Recommendations

- Study and streamline sectoral licensing regime
- Create process guides and website (JIB)
- Streamline procedures related to Company Registration (MIT)
- Eliminate Company Registration restrictions from law (MIT)
- Reduce licenses (MIT, municipalities, line ministries)
- Improve duty exemption process and sectoral approval (JIB, Tax, Customs, line ministries)
- Share AMIR translations with regulators

Operating – Issues

- Multiple registration numbers
- Sub-par tax administration
- Further Customs improvements needed
- Customs brokers not well-trained
- Lack of adequate bonded warehousing
- Health inspections cumbersome
- Jordan Institute of Standards and Metrology (JISM) lacks sufficient resources

Operating - Recommendations.

- Develop a Double Taxation Agreement with U.S.
- Improve several aspects of tax regime (Ministry of Finance)
- Continue improvements within Customs
- Set up an Institute for training customs brokers (Customs, private sector)
- Reduce import delays due to health inspections (Ministry of Health)
- Improve capacity of JISM

Locating – Issues

- Land acquisition cumbersome
- Problems related to zoning & rezoning
- Unclear environmental clearance guidelines
- Site development complicated
- Lack of guide for land and incentives

Locating - Recommendations

- Further de-regulate land access (Ministry of Finance)
- Improve surveying capacity and re-zoning procedures
- Revamp environmental clearance process
- Create comprehensive guide to locating

At a Workshop, held in Amman on November 19, key stakeholders received a detailed presentation on the findings of the 2002 Investor Roadmap Study. Some 80 persons attended this Workshop. The many recommendations for action, contained in the Report, have been categorized by priority and will be addressed during 2003.

2.2.2. Review of Financial Investment Incentives in Jordan.

Consultant Don Lecraw produced his Report on Jordan's Financial Incentives for Investment. Following a review of the incentives offered to new investment projects in Jordan, the Report recommends that consideration be given to harmonizing all tax

incentives in Jordan. A uniform corporate tax rate, in the range of 20 to 25% is recommended. Some of the key recommendations, contained in the Report, are outlined below. Further study on this topic will be undertaken in 2003.

Extent of Incentives. Over time, the GOJ should consider raising the basic corporate tax rate in the economy as a whole for industrial projects towards a still low, but more common, rate of 20% - 25%. A basic tax rate in this range would still leave Jordan as a low-tax country and at a competitive advantage in attracting investment flows.

Resource Distortions. Having widely differing tax rates on different activities (industry versus transportation, for example) encourages distortions, since a manufacturing company could develop its own transportation and distribution activities, yet be taxed on all activities at the lower 'industry' rate. Jordan should consider homogenizing its basic tax rates over time by raising the rate on industry and lowering it on "other sectors" and financial services.

Regional Incentives. Jordan offers regional incentives (mainly tax holidays) aimed at encouraging projects to be located in 'disadvantaged' parts of the country. These incentives are granted to counteract cost and other disadvantages in particular locations. It would be better if the government tackled the root causes of these locations (e.g. inadequate electricity, water, transportation infrastructure, etc.) directly. The government should also consider replacing the regional incentives entirely. If Jordan decides to retain regional incentives, they should be in the form of lower tax rates rather than partial tax holidays.

Targeted Incentives. Jordan is one of only a few, but growing in number, developing countries that does not target investment incentives to specific industry subsectors. It would be useful if the Government were to anticipate the country's evolving dynamic comparative advantage and target incentives to these emerging industry subsectors.

Taxes on Dividends and Interest Remitted Abroad. It is recommended that Jordan should introduce taxes on dividends and interest remitted abroad.

Incentives in the Zones. Not only are Jordan's incentives to invest in the general economy quite high, they escalate as an investment project is moved to an industrial estate, a free zone, or to the Aqaba Special Economic Zone. Over time, as some of these problems are addressed under related activities under the AMIR 2 project and through JAED, consideration might be directed towards reducing the extent of the incentives offered in the industrial estates, free zones and the Aqaba Special Economic Zone.

Incentives for Small and Medium Sized Enterprises (SME's). Numerous studies have demonstrated that the greatest amount of job creation in many countries comes from investment by SME's. Yet in Jordan SME's face higher regulatory costs, and generally cannot access many of the investment incentives that are offered to larger investors. To address the problems encountered by SME's, the government should offer incentives specifically directed at SME's, such as a lower tax rate for investors below a certain size.

Further study on this topic of financial investment incentives is scheduled to be carried out during 2003. JAED, when established, should take a lead role in in-depth study and analysis, leading to recommendations for national policy.

2.2.3 Analysis of Jordan's Regional Competitive Position for FDI.

A comprehensive analysis of regional competitors for FDI commenced in December 2002. This analysis will provide in-depth information on the FDI focus, strategies, targets and results of four competitor countries (Egypt, Tunisia, Dubai and Israel) and will compare Jordan's competitive position against each. A key objective of the consultancy is to contribute to creating a new investor targeting strategy for the Jordan Investment Board. It will strive to meet this objective by determining which sectors currently are appropriate potential targets for investment promotion, based on two approaches: (1) a benchmark analysis of Jordan's competitiveness as a regional destination for investment against its key regional competitors and (2) an analysis of regional investment trends. That analysis will follow the guidelines set out below:

Determine Competing Locations. Adopting the perspective of investors interested in making a variety of investments in the Middle East region, the consultancy will determine those general characteristics that would guide such investment decisions. These characteristics to include macroeconomic profile, industrial base, labor force characteristics, location, trade and market access, investor perception. A list of countries that are similar to Jordan in some or all chosen general characteristics, as well as successful in attracting investment, will be drawn up. From this list, a short list of four countries that are Jordan's key regional competitors for investment projects in manufacturing and internationally-traded services will be established. (It was decided that the four countries to be studied would be Egypt, Tunisia, Dubai and Israel.)

Compare Factor Endowments and Costs. Adopting the perspective of investors interested in making a variety of investments in the Middle East region, the consultancy will determine those specific factors that would be of interest when choosing an investment location. These might include parameters such as country image, corporate environment (including regulatory framework), factor costs, economic base, labor market, infrastructure, ease of set-up and operation (including business start-up costs), quality of life. These might also include factors such as internal and regional market characteristics, trade and market access (including trade agreements in force or in negotiation), taxation, investment incentives.

Collect Data. Using consistent measures, the consultants will collect data on chosen factors for Jordan's four key regional competitors.

Report Data. The consultants must determine the report format, bearing in mind that Jordan's profile will be used as the basis of marketing materials for investors. Then draw up a country profile for each country, including both the specific data collected on chosen factors, as well as general, relevant information, such as population, GDP, trade figures, public debt, and rate of inflation.

Analyze Data. The five countries will be ranked, (i.e. four competitor countries, plus Jordan) based on the data collected, taking into consideration any scheme of weighting that might be appropriate from the perspective of investors interested in making a variety of investments in the Middle East region.

Identify Regional FDI Trends and Collect Data on Projects in Jordan's Four Key Regional Competitors. This detailed data should include all investments proposed, registered, and implemented in the last five years. It should be collected from regional investment promotion agencies, central banks, or other appropriate institutions or sources.

Analyze Industry Sectors in Jordan's Four Key Regional Competitors. Using a consistent form of industry classification, such as the International Standard Industrial Classification (ISIC), the consultants will classify by industry sector the projects undertaken in the last five years in all of the countries considered. They will identify those six sectors that account for the most significant share of total investment, by number of projects, within each country. In addition, they will identify those countries that are the most significant sources of total investment across all of the countries.

Within the six sectors identified, the following will be listed for each country.

- Actual number of projects approved
- Number of related jobs projected
- Amount of related capital investment projected
- Any significant “clustering” of activities by location

Compare Each Country's Share of Inward Investment. Of the investment that has occurred in the five countries considered, the consultants will calculate Jordan's share of both total investment and investment in each of the six sectors identified. In addition, they will determine whether Jordan's shares of investment have been growing or shrinking.

Identify Sectors for which Jordan is Potentially Competitive for Investment
Based on the comparison of factor endowments and costs, as well as investment trends, the consultants will provide a general evaluation of Jordan's regional competitiveness for attracting FDI. Then, they will suggest those sectors for whose regional investment Jordan has the potential to compete successfully. These suggestions should be explained and form a long list for further investigation.

Build technical Capacity for Sustainability. The consultants will provide an annex which describes in detail the way in which the preceding tasks were accomplished, so that this work may be replicated or updated in the future by a member of Jordan's investment promotion effort. This applies to those tasks whose method is not obvious from the deliverable report. For example, it may be clear from the report how factor cost data was ranked, but not from which organizations it was collected.

Describe Investment Promotion Efforts of Regional Competitors. Using a uniform format, the consultants will report on the key agencies and organizations responsible for FDI promotion and facilitation within each of Jordan's four key regional competitors -name(s) of organization(s); legal status (public, semi-state, etc.); resources (human, local and overseas offices, annual budgets, sources of funding); strategies for FDI attraction and facilitation; promotional activities (including collecting copies of promotional materials and “product” offerings)

Provide Recommendations. Finally, the consultants will recommend changes that will lead to the improvement of Jordan's FDI promotional efforts and results.

2.3 Assistance To JIB In Developing Sectoral Marketing Strategies.

In recent years, JIB has been active in promoting Jordan as an investment location to companies in the garments, textiles, consumer products and other sectors. Some success has been achieved, particularly in relation to attracting international garment manufacturers to locate in QIZs and thus avail of preferential market access to the U.S. market. It is apparent, however, that JIB needs to develop a clear and prioritized marketing strategy for FDI promotion, for the future. This strategy will probably be made up of a number of component (sectoral) marketing strategies. It is likely to consist of a mix of attraction of manufacturing companies in a small number of industry sectors together with attraction of investment from overseas companies in the internationally traded services sector.

It is also apparent that JIB needs to be allocated substantially increased financial resources, to enable it to carry out the necessary international promotional efforts on a sustained and comprehensive basis. Without having any permanent representative offices abroad, JIB is at a severe disadvantage in trying to promote Jordan and to service client enquiry's and develop new business. The decision regarding the allocation of finance for JIB, however, is one that the Jordanian Government alone has to take.

The AMIR Program can assist JIB significantly, with regard to developing sectoral marketing strategies, and this is one of the tasks that are currently on hand. Through a process of analysis and discussion with JIB, the aim is to identify some seven to ten industrial / internationally-traded service sectors that appear to be suitable 'target' sectors and then provide technical assistance to JIB in formulating marketing strategies aimed at winning inward investment for Jordan from companies in these sectors.

The list of sectors to be targeted has yet to be finally determined, but based on initial consultations with the JIB, textiles and apparel, pharmaceuticals, plastics, food processing, and tourism may be appropriate sectors on which to focus. Over the coming months, the AMIR Program will be providing technical assistance in this task of developing sectoral marketing strategies for Jordan's FDI programs. A number of leading world-class experts will be engaged, to analyze appropriate potential industrial and service-industry sectors, to give JIB a logical, reasoned and appropriate framework on which to focus its international marketing and promotional efforts.

The first expert commenced his work with the JIB in November. The expert, a highly experienced manager from IDA Ireland was assigned to work with JIB over a period of time on this task. The expert examined the current sectoral strategy that JIB has for the pharmaceutical sector; the resources allocated; the databases and other information sources in use; promotional material; marketing messages and overall professional approach. He provided hands-on coaching to staff within JIB. He identified a key international database (of manufacturing firms, around the world, involved in the manufacture of pharmaceuticals). This database was purchased, on behalf of JIB, and the consultant provided guidance on its effective use. The consultant met with a number of Jordanian pharmaceutical manufacturing companies, with the Business Association and others. Initial recommendations, regarding a three year marketing strategy of JIB in this sector, were drawn up and presented at a Workshop, held in Amman in late January 2003.

Further assistance is being provided to JIB under this consultancy assignment, particularly in relation to JIB's planned participation in a key pharmaceutical event that takes place in Lisbon, Portugal, in June.

2.4 Jordan Enterprise Development Corporation.

One of the recommendations of the Investment Committee is that the existing Jordan Commercial Centers and Export Development Corporation be dissolved and that a new Corporation – the Jordan Enterprise Development Corporation – be established. The new JEDCO would be empowered to have national responsibility for enterprise development. This mandate would bring JEDCO into closer contact with clusters of firms throughout Jordan and to individual firms. JEDCO would be more closely integrated with the activities of (relevant) Donor Organizations. In addition, JEDCO would be given responsibility for a national Linkages Program. A number of meetings were held with top management in JEDCO, to introduce and discuss the implications of the proposed new roles of JEDCO under the JAED reform scenario. Management responded enthusiastically to the proposed new roles for the organization.

2.5 Moving towards a Pilot National Linkages Program

As previously reported, the AMIR Program is providing assistance to the Linkages Committee that came into existence following the TIJARA Recommendations. It is apparent that there is a need for a comprehensive database of all industrial companies in Jordan. This database would profile all registered firms –whether Jordanian owned or foreign. Material for such a database can be drawn from a number of sources, including the Chambers of Commerce and Industry, the Ministry of Industry & Trade, JIB, JEDCO, Business Associations and others. Ensuring that such a database is structured in the correct way is of vital importance, to ensure that the classification of, and information on, the profiled companies follows international best practice. As a prelude to the establishment of such a pilot National Linkages Program, an assessment of the various databases on industry in Jordan has commenced.

2.6 Jordanian Industrial Estates Corporation (JIEC); Organizational Review.

One of the recommendations of the Investment Committee was that there be some small, immediate, changes to JIEC. Primarily, these changes are in the area of the composition of the Board of JIEC (designed to facilitate better interlocking between the Boards of the various Enterprise Development Entities) and in the area of JIEC's activities in marketing and promotion of new investment into its industrial estates. The AMIR Program has been requested by the management of the JIEC to provide some immediate technical assistance, however, and this is underway. An organizational review of JIEC is being carried out. The key tasks on this consultancy are to first review the JIEC organization chart and job descriptions and redraft in accordance with its future mission and objectives; the new job descriptions to be redrafted down to Department Head level. Second, take into account the planned creation of JAED, the proposed reform of the investment entities and the proposed future strategic role that JIEC should play.

- In the light of the above reform proposals, comment on any marketing roles that JIEC should play in the future. Put forward some suggested options in this regard.
- Prepare a revised set of internal Regulations / Instructions (which may be adopted by the Board) with respect to personnel, pay and conditions, bonuses, etc., with a view to streamlining the corporation and with a view to recruiting and retaining the most professional and efficient cadre of staff possible.

- Design a performance based reward system to allow the attraction of new employees, to facilitate the required organizational changes.
- Develop an overall Training Needs Assessment for JIEC and draw up Scopes of Work for subsequent attention to the training needs of the corporation.

Presentation of the initial findings on this assignment took place in January, when they were presented to and discussed with the Director General of JIEC. A key topic of the discussion was the proposed move to more 'progressive' employment terms and conditions. The proposed Personnel Instructions would represent a significant change from the current situation, but they are designed to accommodate JIEC's desire to reward and retain key executives, and to allow significant operational improvements. The assignment is on-going.

2.7 Review of Private Property for Enterprise in Jordan.

A review of the overall situation regarding the availability of private property for industry / enterprise in Jordan is being carried out. This will supplement the information that is currently available from developers such as the JIEC and the Free Zones Corporation. Having such a comprehensive database will enrich the breadth of information material that JIB will have, when informing investors about the full range of property options (public and private) in Jordan. The need for such a Review has also been referred to in the Investor Roadmap Study.

2.8 Assessment of Proposed Merger between JIEC and FZC.

An initial assessment of the proposed merger between the JIEC and the Free Zones Corporation is planned for later in 2003.

2.9 Meeting with ASEZA Commissioners, Aqaba, October 27 2002.

In order to explore ways to optimize cooperation and coordination among USAID funded projects in Jordan, particularly in the realm of E-Government and IT systems development, a workshop was held in Aqaba in this regard. The workshop was attended by Commissioners Fakhoury, Al Jafari and Rifai of ASEZA; by Mr. Jim Schill of USAID; Mr. Steve Wade of AMIR-Program; Mr. Vince Ruddy of ATASP and by a number of executives of ASEZA, ATASP and AMIR, together with related consultants. A full list of attendees is contained in Annex B. This co-ordination meeting was also an opportunity for the IVP Sub-Component personnel to discuss Investor Tracking Systems with ASEZA personnel, with a view to benchmarking JIB systems against the ASEZA situation.

2.9.1 Presentations Made at Aqaba.

Presentations were made on the relevant activities of the ASEZA, ATASP and AMIR Programs, and a full discussion was held among the participants.

A summary of the next steps that were agreed upon follows:

- Identify projects to share information between AMIR and ASEZA.
- ATASP / ASEZA to coordinate with AMIR with respect to - project management courses; computer literacy sessions; computer training for staff.
- Resolve legal traps –identification / resolution.

- AMIR to describe all “fast-track” e-government projects it will be supporting (provide information to ASEZA).
- Further discussion on a one to one basis between AMIR and ATASP regarding business registration and investor tracking.
- How can AMIR assist ASEZA in e-skilling its staff?
- Have a follow up meeting to plan a program of assistance (few projects).
- How can AMIR assist in certain e-services... priorities for ASEZA?
- Increase understanding of ASEZA, ATASP and AMIR e-projects (the e-skilling concept).
- Increase and streamline cooperation with MoICT
- Share Investor Definition data.
- Share documents and information with AMIR and MoICT – regarding schema for investors; Architecture; Web services; Security policy
- Document lessons learned on each project and share them.
- Establish periodical check points between ASEZA / AMIR / MoICT.
- Share information regarding e-government infrastructure projects.
- Understand the legal and business process re-engineering lessons learnt.
- Share program management methodologies.
- Identify the stake holders that will bring most success to the e-government initiative.
- Wherever possible, use of Jordanian ICT firms to provide software/IT consulting to the e-government initiative along with the foreign firms.
- Exchange technical information on investor tracking systems and WAN.

Follow up Regarding the Aqaba Investor Tracking System.

Following the meeting in Aqaba, the Investment Promotion (IVP) Sub-Component followed up with their counterparts in ASEZA, specifically in relation to the Investor Tracking System (ITS) that is planned for ASEZA. ASEZA is planning to automate and computerize its system in order to provide high quality and efficient information services for internal and external use. The major objective of the system is to provide better service to clients, speed up work procedures and provide management with immediate and accurate information for effective executive decision making. The ITS will be structured to include a three-tier cumulative follow-up system. It will start with investment generating activities and continue through the life of the operation in ASEZ, as follows:

1. The initial tier, to provide each of the Investment Promotion Officers (IPOs) an activity log that would reflect:
 - Lead generation activities
 - Lead generation activities results
 - Contact and company key identification elements (company name, location, investment interlocutor name, position, telephone, fax, email. Investment origin, activity, ASEZA permitting requirements, yearly turn-over, markets served, expected start-up date, projected level of investment and job generation in ASEZ).
 - Current investment status.
 - What type of information has been provided to the investor, by date and means (personally, email, fax, telephone).
 - Pending action by the ASEZA Investment Promotion Officer or by the investor.

- Site visit(s) activity log for each prospective investor.
 - Final decision of investor and date (positive/negative).
 - If positive-registration / licensing date and move to next tier.
 - If negative-reasons for rejecting ASEZ (if available), or if investor stopped communicating with IPO. A special file should house these cases and include an automatic follow-up reminder on a periodic basis covering at a minimum a full year.
2. The second tier of the ITS would automatically feed key information into the ASEZA investment data base. At the same time, that database would need the flexibility to adjust pertinent information in each investment entry in order to reflect on-the-ground realities of operations. Move to next tier.
 3. The third tier will reflect the permitting process within the Investor Services Division requiring access by an Investor Services Officer (ISO) and include the following:
 - Investment registration/licensing request date
 - Investment registration/licensing issue date and number
 - Permit(s) request date
 - Permit(s) identification date
 - Environmental clearance request (if applicable)
 - Environmental clearance issue (if applicable)
 - Facilities pre-occupation inspection(s) projected date
 - Facilities pre-occupation inspection results
 - If investor complies, move to next tier. If not, provide for requirements of compliance identified in inspection and full process until compliance is reached.

The functional requirements of the system can be summarized as follows:

- Contact management
- Schedule and Task management
- Lead and opportunity management
- Sales and marketing campaign tracking
- Document management (relative to the sales and marketing process)
- Workflow and tracking (with escalation and notification)
- History (audit trails)
- Reporting (dynamic online and custom)

2.10 Counterpart Meeting, Amman.

In view of the fact that the AMIR 2.0 Program was still at an early stage, and given that Work Plans for 2003 were in the course of development by each Component of AMIR, an initiative was taken, to bring the individual Components and their relevant sub-contactors together, for a Coordination Workshop. The PSPI Component Counterpart Meeting took place, in Amman, at the end of October.

Participants included staff from the PSPI and other related Components of the AMIR Program; representatives from the Ministry of Industry & Trade; the Ministry of Planning; the Ministry of Agriculture; the Jordan Investment Board; JEDCO; the Jordan Industrial Estates Corporation; Amman Chamber of Industry; the Jordan Exporters

Association; Amman World Trade Center; Al-Jidara Investment Services; Community Development Group; International Business Legal Associates; Computer Networking Services; and from Cloverdale Consultancy (who facilitated the smooth and efficient running of the event). Topics of mutual concern and interest were identified and discussed. From this, a number of potential AMIR activities for 2003 were identified and listed. Full details on the event are contained in the Cloverdale Report, but some of the key items are referred to below.

Under the category **Awareness** (proposed by all) it was recommended that ‘awareness raising’ be conducted. *Purposes:* Explore new opportunities; Make use of opportunities resulting from different agreements; Increase public demand for Jordanian products; Increase competitiveness of Jordanian products. *Results:* Exported products; Increased credibility.

Under **Studies** (proposed by all) the proposal was to conduct sectoral studies of impact studies. *Purposes:* Prioritize sectors according to their potential of exporting to the U.S. market; Assess impact. *Results:* Investment and promotion in those sectors; Enhanced quality of Jordanian goods.

Under **Capacity** (proposed by all), it was agreed that there is a need to build capacity. *Purposes:* Help the industrial sector in entering new markets; Provide Jordan with ability to compete in global economy. *Results:* Economic and social sustainable development.

A category **Manual** was proposed by JEA. *Purposes:* Develop a practical manual for exporters “How to export to the EU market through J/EU association agreements” *Purposes:* Minimize time, effort, money used for searching about the agreement implementation. *Results:* Increased Jordanian exports to the EU market.

The category **IT** was proposed by all. The activity involved being to develop an industrial data base and improve web sites. *Purposes:* Understand better what is out there. *Results:* Better policy decisions

The category **Centers**, proposed by all, involves establishing specialized centers. *Purposes:* Enhance local expertise and know-how; Achieve great special quality of garment items. *Results:* Increase our sales abroad and locally; skilled workforce and improved local goods and services.

New markets category, proposed by JEDCO relates to finding new non traditional markets to export Jordanian products. *Purposes:* Increase demand for Jordanian products. *Results:* Industrial sector assistance; Increased their products to new markets.

The category **Image Building and Match-Making** was proposed by JIB. The activity proposed is to organize and run (in Jordan) an International standard conference for CEOs – with His Majesty as keynote speaker. *Purposes:* Build image; Promote sectors; Reach agreements; Develop projects; Matchmaking. *Results:* Commitments for new (joint-venture) start-ups; Having Jordan on the map of investors as a priority for investments.

Also on the category **Image building**, JIB proposed assigning an international public relations office to promote FDI. Some help in drawing up the Scope of Work for such an assignment was requested. *Purposes:* Promote investment in Jordan more professionally and follow up. *Results:* Increasing FDI by a reasonable percentage; A way to develop a longer term objective of JIB -i.e. the setting up of offices abroad.

Under the category **Macro level technical assistance**, the Ministry of Planning highlighted the activity of Evaluating economic policies. *Purposes:* Adjust the implementation of economic policies to the right economic growth path. *Results:* Sustainable economic development

Again, under the same category, the Ministry of Planning proposed setting economic priorities. *Purposes:* Make efficient use of resources. *Results:* Obtaining the social and economic objectives determined in the plan.

Under the same category, the Ministry of Industry & Trade proposed participation continuously in the trade negotiations held at the WTO and other organizations and Institutes. *Purposes:* Meet deadlines agreed upon in the Doha declaration, this would entail efficient cooperation and analysis of relevant parties to properly fulfill Jordan's commitments. *Results:* Attendance of WTO meetings would assist relevant departments in keeping up with developments, thus proposals and requests would be drafted properly.

2.11 Presentation to USAID and to Counterparts, Amman, Nov. 18 2002.

Arising from the process of consultation that took place between the PSPI Component and its clients, counterparts and subcontractors, a detailed Work Plan for 2003 was drawn up. This Work Plan was also costed, in order to be deliverable and achievable within the proposed operational budget. The Work Plan was presented to, and discussed with, a general audience in Amman on November 18, 2002. The participants at that event included representatives from the Ministry of Industry & Trade, USAID, JIB, JEDCO, JIEC, EJADA, GTZ, business associations and subcontractors. The vision, objectives and planned activities for the IVP Sub-Component are summarized below:

Vision for 2003

Make Jordan Globally Competitive for Enterprise and Investment

- World – Class Institutions
- World – Class Enabling Environment
- Enterprise Culture

Objectives for 2003

JAED Transition Support / Best-Practice Benchmarking

JAED Network – Strategic Planning and Branding

JAED Network – Capacity Building

- Change Management
- Teambuilding – within and across the Entities

- International best-practice within functional areas, as informed by benchmark Training Needs Assessments
- JAED; Strategy Formulation; Competitiveness; Monitoring and Evaluation
- JIB; Sectoral Research; Inward Investment Promotion

Investment Promotion Communications Strategy

Investment Communications – Counterpart Training

JIB: Investor Targeting Strategy

- Sector Identification – for FDI; Regional Trend Analysis
- Regional Factor Cost Analysis; Trade & Market Access Analysis
- Comparative Advantage Analysis; Sector Studies
- Feasibility Studies of the most Promising 10 Sectors identified
- Marketing Strategies for the 5 most Feasible Sectors

JEDCO: Market Research; Export Promotion; Company Development Export Promotion Strategy

- Product and Market Identification
- Trend Analysis
- Comparative Advantage Analysis
- Product and Market Studies
- Feasibility Studies
- Marketing Strategies

Integrated Information System for Trade & Investment – Strategic Planning

Roadmap Action Plan

National Linkages Pilot Program

- Program Design Update
- Pilot Program Launch
- Potentially through a grant to a private sector firm

Strategies for Enterprise Property

- Associated with the JAED Reform Process
- Assessment of the proposed JIEC – FZC merger
- Overview of private property developers
- Vision for evolution of public property function towards increasing private sector involvement.

New Investment and Incentive Law

Development of Indicators for the years ahead;

In conjunction with the Work Plan development, a set of Indicators was formulated.

These Indicators will facilitate all concerned in measuring and evaluating the impact of the technical assistance being provided to Jordan's investment promotion and enterprise development entities. The key indicators are: (i) increase in investment (both from inward direct investment sources and from direct domestic investment); (ii) increase in jobs; (iii)

increase in exports; and (iv) increase in backward linkages and measurable improvement in the enabling environment.

Increase in investment

(a) FDI	Baseline 2002 \$186m. Target for end 2003 \$213m (+15%) Target for end of Year 3 \$676m (+54%)
(b) DDI	Baseline 2002 \$240m Target for end 2003 \$264m (+10%) Target for end of Year 3 \$545m (+32%)

Increase in jobs (from both FDI and DDI)

Baseline 2002	22,488
Target for end 2003	17,000 (change anticipated in method of measuring)
Target for end of Year 3	43,000

Increase in exports (from both foreign and domestic firms)

Baseline 2002	\$ 2,073m
Target for end 2003	\$ 2,223m (+7.25%)
Target for end of Year 3	\$ 2,558m (+7.25% annual average)

Increase in backward linkages (annual revenues in subcontracts to local SMEs)

Baseline	n/a
Target for end 2003	\$0.75m
Target for end of Year 3	\$ 11.25m

Improvement in enabling environment (laws / regulations / processes that are related to investment that are improved)

Target of 2 by end 2003
Target of 15 by end of Year 3

Note: much of the above data is available only through JIB, which tracks only those investment projects that actually apply to JIB for facilities. Thus, there may be another quantity of investment that is not being recorded.

In addition, we have expressed concerns about the way that JIB measures jobs. This matter will be the subject of further discussion and clarification

2.12 Further Developments During The Period To End January 2003.

During December 2002 and January 2003 the proposed JAED package of reforms received increased attention. The Prime Minister requested that the draft Laws receive close attention by the members of the Economic Development Council (a Cabinet sub-committee with membership including the Prime Minister, the Minister of Finance, the Minister of Industry & Trade and the Minister of National Economy) with a view to putting the full package to the Legislative Bureau, for approval, within a tight time-frame.

The Minister of Industry & Trade, as champion of the reform package, and as a member of the Economic Development Council, requested assistance for the AMIR Program in reviewing the laws, and in discussing certain aspects of the proposals.

A key issue was the proposal, put forward by the Investment Committee in its Final Report, that individuals from the private sector be appointed to the position of Chairman

in each of the four entities –JAED, JIB, JEDCO and JIEC. These would be non-executive positions as Chairman. The Minister (of Industry & Trade) argued strongly that this recommendation would not be accepted, politically, by Cabinet and that the Chairman of each entity should, in practice, be the Minister himself. Recognizing that, because of time pressures, it would be somewhat unrealistic to expect the Minister to attend every board meeting of each entity (a total of up to 48 board meetings per annum), it was decided that the Vice-Chairman of each entity would play a very significant role in active involvement at board meetings. It was decided that the vice-chairman of each entity would be selected from among the private-sector members of each board. The vice-chairman would, by law, be given wide delegated powers and would maintain close on-going contact with the Minister. The required amendments to reflect these new board structures were incorporated into the draft laws.

It will be noted that the draft laws have a provision that a representative or representatives from the Ministry of Industry & Trade (appointed by the Minister) would be members of the four boards. In this way, it is anticipated that there will be a close and vibrant two-way direct line of communication between the Ministry and each entity. The Prime Minister expressed the view that the composition of each board (in terms of number of board members) should always allow for a majority of the board members to come from the private sector and not from the public sector.

Regarding the board composition of JIEC, the Minister of Finance recommended that the Director-General of the Free Zones Corporation should be a member of the JIEC Board. Much discussion took place, among the members of the Economic Development Council, concerning the draft new Investment Law. The Minister of Industry & Trade had made many recommendations for amendment to that law, based on his experience as Minister, on his experience in the context of the recent developments in Aqaba, and on his professional expertise as a lawyer. Strong recommendations had been made, in two AMIR-funded Reports (the 2002 Investor Roadmap Study and the Review of Jordan's Incentives for Investment) concerning (a) streamlining the business registration and licensing process and (b) reviewing the fiscal and other incentives offered to investors in Jordan. The draft Investment Law moves in the direction of addressing the issues raised in these Reports. In particular, it is proposed that incentives for investment in Jordan may be amended by Regulation, within the new Investment Law, rather than being formally and rigidly set by law. The revised drafts laws, as at end of January 2003 are contained in Appendices D to H.

As these developments took place, the issue of funding for the reform process became a more immediate and pressing one. JAED does not exist at present, and its creation will represent a funding requirement on central government funds. The proposed reform package also implies that additional funding will be needed for JIB. JEDCO will have to be significantly restructured (as narrated upon in previous Reports). It will not be able to avail of some of the key funding mechanisms that it currently enjoys (which enable it to require no direct government funding at present) and it will, in the future, require direct funding. The proposed Personnel Regulations for JAED, JIB and JEDCO have been designed and constructed as models of progressive personnel regulations (notably – moving to the 'clean wage concept' and setting wages and employment terms at levels that would attract and engender the long-term dedication and commitment of highly talented and motivated personnel.) This is not to say that the overall wage bills for JIB or JEDCO in the future should automatically be higher than they are to-day (there are

recommendations about re-balancing the employment levels in each), but, as the performance and success of these entities grows over time, there will be a need for extra staff resources and consequently higher wage bills. In addition, it is proposed that attractive remuneration packages be offered for the chief executives of JAED, JIB and JEDCO, in order to attract world-class executives to these (and selected senior management) positions. The remuneration for these positions would be designed on a results-oriented, fixed time basis, in order to stimulate the achievement of exceptional results in a short time period.

The AMIR Program has indicated that, within its own budget capacity, it is supportive of providing technical assistance to the JAED reform process. Such technical assistance, however, is necessarily limited in monetary value and does not extend to payment of wages and salaries for long term staff. Discussions were held with senior executives from the USAID office in Amman regarding the funding needs of JAED and the other entities. These discussions were still on-going at the time of writing this report.

Aside from the issue of funding, the discussions continued among the members of the Economic Development Council, during the month of January 2003. By the end of that month, it was announced that the Prime Minister had given his endorsement to the revised draft laws and he requested that the laws go forward for scrutiny and approval by the Legislative Bureau. Shortly thereafter, the endorsement of H.M. King Abdullah for the proposed JAED reform package was announced to the public.

Chapter 3: Conclusions and Recommendations

This report refers to activities that took place in the period October 2002 to end of January 2003, all of which were oriented towards one overall objective – to reform and improve Jordan's investment promotion and enterprise development institutions, with the aim of improving living standards for all Jordanians.

3.1 Conclusions

There are many individual 'threads' to such a project, as such achievements are not simply attained by individual, un-coordinated or isolated efforts. There needs to be a strong and sustained commitment at the highest levels of government and power in the country to make things happen. And to keep these projects and project teams together and on track. There must be genuine willingness and openness, by all corporate bodies, and by relevant donor agencies to support and assist the effort.

Delays lead to a lack of momentum, frustration, anxiety, loss of interest and perhaps lack of cohesion, none of which will aid the original and highly commendable aims. Undue delays are even worse, and can result in loss of opportunities. For example, funds that might have been reserved for a project might be diverted to other uses and may not be replaced. Technical skills and expertise that might have been at one time available, may have moved on to other tasks and projects.

The period under review saw some loss of momentum, particularly at political level. The final report of the Investment Committee – submitted to Cabinet in August 2002 - was not debated seriously and deeply at government, until some time in December. Although there was indeed a renewal of interest by the government, from December onwards, the full JAED package had still not been submitted to the Legislative Bureau, up to the time of writing this report. Even when the draft laws are submitted to the Legislative Bureau, and receive approval, the critical stage of reform actions must then take place. It is only after the reform and restructuring stage that results can be expected to flow. Undoubtedly, time has been lost, to Jordan's loss and to some competitor's gain.

Notwithstanding the above comments, productive use was made of the intervening time, under the circumstances, particularly in regard to building consensus about the practicalities of the reform plan, understanding in greater depth the roles, responsibilities, organizational structures, strategic and tactical plans of the various entities. Fruitful joint work-planning exercises and presentations were carried out, all of which led to the development of a sense of cohesion among the 'players' and to better sharing of information and understanding. The IVP Sub-Component addressed, in detail and actively, ways in which it could provide technical assistance to entities such as the Jordan Investment Board, JEDCO, JIEC and others. In the background, important work (initiated by the IVP Sub-Component and commissioned with AMIR Program funding), was being undertaken on vital topics such as competitiveness for FDI; incentives for investment; investor roadmap analysis; consideration of a national backward linkages program, availability of (privately-funded) property for enterprise, review of information systems in key entities. The meetings held, between program staff and colleagues in ASEZA / ATASP, as well as between program staff and our sub-contractors and partner

organizations, were most useful and constructive, leading to shared visions of the future and shared commitment to achievement of the necessary intermediate goals.

3.2 Recommendations

Given the above comments, and recognizing that this process of reform and improvement is an on-going and evolving one, the following recommendations are made:

1. Considerable time and effort went in to the work of the Investment Committee. Many highly experienced and influential individuals from across the public and private sector participated, over six months. The final report of the Investment Committee and the detailed recommendations contained in the report represent a major, nationally-important, piece of work that must be taken seriously and acted upon without further delay. Formal and immediate submission of the concept and draft laws to the legislative bureau is vital, by a team comprising a ‘project champion’, backed up by experienced and very capable and supportive technical assistants.
2. There has to be commitment by government to the reform process, and a determination to make changes. There is a need to get real political commitment to implement the JAED package. Full and final agreement among all members of the Cabinet on the JAED reform package is required. A national determination to encourage and facilitate entrepreneurship and success in business needs to be fostered and supported.
3. Clarity regarding the availability of adequate funding for the reform program, on a sustained basis, over a period of years (3 years to 5 years) is required. This funding may come wholly from government resources, or it may be a mixture of government and non-government (donor program) sources.
4. As a support to this process of identifying and securing funding, there must first be a genuine effort made to appreciate the value of this investment in reforming Jordan’s investment promotion and enterprise development entities and an appreciation of the results that will follow. Long term, consistent, government policies are needed and long term commitment to providing adequate funding.
5. To assist in measuring the cost and benefit of the reform program, it will be necessary to closely monitor and track the impact of the reform program against the desired objectives. It is highly desirable that a mechanism be put in place to measure, accurately, rigorously and regularly –Jordanian economic expenditures arising from those firms or projects that enjoy the benefits of incentives. The economic factors to be measures should include wages and salaries, usage of local raw materials and components, expenditure on local services (power, water, transport, banking services, insurance and legal services, etc.) as well as profits generated.
6. Following on the need to pass the laws, there is the need to appoint the members of the boards. Deep and careful consideration must be given to arrive at the optimal composition of each board. Reference to international ‘role models’ will be useful in this regard.

7. The boards will, in turn, need to select world-class CEOs. It is crucial that world-class chief executives be recruited, to head up the reformed organizations. Consideration needs to be given, now, to this process.
8. One of the success factors of the JAED Reform Program will be the introduction and adoption of ‘progressive’ personnel regulations. Such regulations have been drafted and included in the Final Report material. They represent a significant change or approach when compared to the present sets of personnel regulations that apply in JIB, JEDCO or JIEC. These proposals need to be considered carefully, debated as appropriate, and their introduction and adoption committed to.
9. Preparations need to be made for the staff changes that are implied by the reform proposals.
10. Develop and start a ‘JAED Communications Program’ – initially within the public sector (even at the level of Cabinet, among ministries and other government organizations). Later, extend the Program to media journalists and to the public at large.
11. Given the clouds over the Middle East at present, the requirement for image building and positive marketing messages for Jordan has never been greater. Resources are required to be applied to research into identifying appropriate marketing messages for Jordan, building credibility, and a positive and attractive image. Part of the work involved here is to expand the amount of sectoral research being carried out, in order to determine more precisely the sectors, sub-sectors or clusters in which Jordan had competitive advantages for FDI investment. And for DDI investment.
12. More analysis of export opportunities and how to capture and capitalize on them, is required.
13. There is a need for improved and smoother coordination and sharing of information;
 - between ministries (one to another)
 - between ministries and official public corporations
 - among personnel in the donor agencies
 - between donor agencies and their counterparts and sub-contractors
 - among similar projects (e.g. between the PSPI and ICTI Components of the AMIR Program and ASEZA / ATASP)
 - between program staff and the relevant ministries (e.g. the Ministry of Industry & Trade).
14. The development of an agreed plan for an integrated (national) information system should be encouraged, facilitated and funded.

Annex A:

2002 Investor Roadmap Study.

This Investor Roadmap Study, an update on a similar study carried out in 1988, identifies and categorizes key impediments that impede the smooth and efficient setting-up or operation of a business.

Investor Roadmap Goals.

To create jobs and wealth by:

- Improving the investment climate
- Reducing the costs of complying with government regulation
- Making government regulation more transparent and government services more effective

Investor Roadmap Q &A

- What actions are required for an investor to start and operate a business?
- What public agencies are involved in regulating private sector activity?
- What procedural and bureaucratic issues can be changed to facilitate increased investment?
- What are the most significant administrative, procedural, and regulatory issues that inhibit investment?

Investor Roadmap History

Undertaken in 1998 and led to several changes:

- Change effected in relation to 52 of the 83 Roadmap recommendations
- AMIR responsible for 36 recommendations
- Seven major initiatives were designed to address Roadmap issues directly
- 70% success rate

Past AMIR Initiatives

- JIB – procedural bottlenecks, interagency coordination, and investment facilitation
- Company Registration – re-engineered, boosting transparency and speed
- Food safety – risk-based inspection regime
- Customs – streamlined procedures
- Land availability – ASEZA, JIEC, & FZC
- Licensing – law to limit licenses and streamline procedures
- Environmental clearance – by-law for environmental impact assessments

Investor Roadmap Objectives

- Reassess administrative, legal, and procedural barriers
- Identify bureaucratic obstacles related to new procedures
- Set a new agenda

Investor Roadmap Methodology

- In-country field mission
- 115 interviews with regulators, investors/facilitators, and stakeholders
- Procedural write-ups
- Private Sector Focus Group (22 Investors)

- Review of government forms, guides, and legislation
- Review of economic and policy analyses
- Comparisons to international best practice

Employing - Findings

Some positive changes seen since 1998...

- Improved efficiency of processing visas and residency permits
 - System developed to coordinate issuing expatriate work permits
- ... but more to be done

- Review of work permits
- Permit duration
- Case-by-case negotiation

Employing - Recommendations

- Implement small, quick improvements
- Develop clear rules for QIZ local hiring and training obligations
- Restore cooperation on expatriate work permits
- Improve efficacy of Jordanian workforce training

Reporting - Findings

Some positive changes seen since 1998...

- Company Registration (CR) improved
 - Legal regime for IPR improved
 - JIB services generally better
- ... but more to be done

- Related CR requirements cumbersome
- Sectoral licensing difficult
- JIB duty exemption slower than necessary
- No comprehensive guides for investors
- Little information in foreign languages

Reporting - Recommendations

- Study and streamline sectoral licensing regime
- Create process guides and website
- Streamline procedures related to CR
- Eliminate CR restrictions from law
- Reduce licenses
- Improve duty exemption process and sectoral approval
- Share AMIR translations with regulators

Operating - Findings

Some positive changes seen since 1998...

- Customs performance improved
 - Risk-based food testing system pilot tested
 - Jordan adopted many WTO-compliant standards
- ...but more needs to be done

- Multiple registration numbers

- Sub-par tax administration
- Further Customs improvements needed
- Customs brokers not well-trained
- Lack of adequate bonded warehousing
- Health inspections cumbersome
- Jordan Institute of Standards and Metrology (JISM) lacks sufficient resources

Operating - Recommendations.

- Develop a Double Taxation Agreement with U.S.
- Improve several aspects of tax regime
- Continue improvements within Customs
- Set up an Institute for training customs brokers
- Reduce import delays due to health inspections
- Improve capacity of JISM

Locating - Findings

Some positive changes seen since 1998...

- New locating options
- New Land Law (2002)

...but more to be done

- Land acquisition cumbersome
- Problems related to zoning & rezoning
- Unclear environmental clearance guidelines
- Site development complicated
- Lack of guide for land and incentives

Locating - Recommendations

- Further de-regulate land access
- Improve surveying capacity and re-zoning procedures
- Revamp environmental clearance process
- Create comprehensive guide to locating

Benefits of Procedural and Administrative Reform.

- Reduces economic, political, and regulatory risk
- Reduces the “transaction costs” of business
- Increases the number of firms that start up
- Contributes to state revenues
- Reduces cost to government of excess bureaucracy

Governments cannot quickly and cheaply improve national infrastructure or workforce skill levels, curb inflation, or end political conflicts. However, government can quickly improve government service.

Annex B:

List of Participants at Coordination Meeting
that took place in Aqaba on October 27, 2002.

<i>Aqaba Technical Assistance Support Project (ATASP)</i>	<i>Aqaba Special Economic Zone (ASEZA)</i>
Mr. Vince Ruddy	H.E. Mr. Imad Fakhoury
Mr. Alan Wilson	H.E. Dr. Mohammad Al Jafari
Mr. Garland Boyette	H.E. Dr. Ahmad Rifai
Ms. Rania Madanat	Mr. Omar Qawas
Mr. Faris Nimri	Mr. Mohannad Itayem
Ms. Reem Aloul	Mr. Maher Abu Saadeh
Mr. Ra'ed Daoud	Mr. Saleh Kilani
Mr. Ramez Mallouk	Dr. Wael Akayleh
Ms. Linda Kawar	Mr. Taha Khawaldeh
<i>U.S. Agency for International Development (USAID)</i>	Eng. Mohammad Reyati
Mr. James Schill	Mr. Nabil Hindawi
<i>Achievement of Market-Friendly Initiatives and Results Program (AMIR Program)</i>	Mr. Nizar Bkour
Mr. Stephen Wade	Ms. Gulnar Janbulat
Ms. Cathryn Goddard	Mr. Bashar Salman
Ms. Tulin Baker	
Mr. Rami Khyami	
Mr. Basheer Abul-Asal	
Miss Mona Al Jamal	
Ms. Lina Sunna	
<i>A. AMIR Program – PSPI Component</i>	<i>AMIR Program – ICTI Component</i>
Ms. Greta Boye	Mr. John Mack
Mr. Barry O'Connell	Ms. Oraib Toukan
Mr. Glenn Wood	Mr. Abed Shamlawi
Mr. Andrew Ford	Mr. Peter Galagher
Mr. Lubomir Dvorsky	

Annex C

Summary of Presentation made by IVP Sub-Component
of the Private Sector Policy Initiative,
at the Work-Planning Meeting, Amman November 18, 2002.

Why Do We Do Investment Promotion?

We contribute to

- Upgrading of Jordan's Institutions and Entities responsible for
- Enterprise Policy Formulation
- Investment Promotion and Facilitation
- Enterprise Development

We contribute to

- Improvement in the Enabling Environment for direct investment.

Leading to

- Capital and technology inflows
- Creation of jobs for men and women throughout the Kingdom
- Increased economic expenditure by the productive sector
- Increased exports
- Increased Government revenues
- Increased per capita incomes
- Improvement in living standards for all Jordanians

Review of 2002

Institutions

New Institutional Framework for Investment Promotion and Enterprise Development

- Developed on behalf of and in collaboration with the Investment Committee
- Based on the successful Irish model
- Includes draft laws for the Jordan Authority for Enterprise Development (JAED),
- For JIB, JEDCO, JIEC
- Draft Regulations for JAED, JIB, JEDCO, JIEC
- Draft Investment Law

Review of Investment and Trade Information Systems

- Enabling Environment
- 2002 Investor Roadmap

Review of Investment Incentives

Vision for 2003

Make Jordan Globally Competitive for Enterprise and Investment

- World – Class Institutions
- World – Class Enabling Environment
- Enterprise Culture

Objectives for 2003**JAED Transition Support / Best-Practice Benchmarking**

- Legislative Bureau Support; Board Composition; CEO Recruitment
- Staff Recruitment & Screening; JAED Network – International Best – Practice Benchmarking against respective Irish model entities.
- Including Training Needs Assessment; Functional focus
- In conjunction with the Center of Excellence Program

JAED Network – Strategic Planning and Branding

- JAED Network – Strategic Planning
- Vision – Mission Statement
- Strategy – Annual Work Plans
- Financial Resource Requirements – Annual Budgets
- Human Resource requirements
- Functional Focus
- In conjunction with the Center of Excellence Program
- Communications – Branding the JAED Network
- Formation of Branding Committee
- Creation of a Design Brief
- Development of a New Corporate Identity
- Emphasis on ‘Fresh Start’, Co-ordination, Private Sector Orientation
- Materials Production

JAED Network – Capacity Building

- Change Management
- Teambuilding – within and across the Entities
- International best-practice within functional areas, as informed by benchmark Training Needs Assessments
- JAED; Strategy Formulation; Competitiveness; Monitoring and Evaluation
- JIB; Sectoral Research; Inward Investment Promotion

Investment Promotion Communications Strategy

- Determine Communications Objectives
- Identify Target Audiences
- Articulate Messages
- Determine Appropriate Communications Mix
- Identify Opportunities
- Identify Communications Counterparts & Counterpart Journalists

Investment Communications – Counterpart Training

- Investment Promotion Entity Communications Staff
- Identifying Communications Opportunities
- Taking full advantage of opportunities / timing
- Staying on message
- All about press releases
- Interested journalists
- General (Trade and Investment concepts and Terminology)
- Jordan (Trade and Investment Trends and Institutions)
- JAED Reform
- Other issues.

JIB: Investor Targeting Strategy

- Sector Identification – for FDI; Regional Trend Analysis
- Regional Factor Cost Analysis; Trade & Market Access Analysis
- Comparative Advantage Analysis; Sector Studies
- Feasibility Studies of the most Promising 10 Sectors identified
- Marketing Strategies for the 5 most Feasible Sectors

JEDCO: Market Research; Export Promotion; Company Development
Export Promotion Strategy

- Product and Market Identification
- Trend Analysis
- Comparative Advantage Analysis
- Product and Market Studies
- Feasibility Studies
- Marketing Strategies

Integrated Information System for Trade & Investment – Strategic Planning

- Commence Strategic Planning (building on the ground work carried out in 2002).
- Form a Steering Committee; Articulate Goals and Assess Needs
- Identify Requirements Information System – System & Database Design (i.e. Functionality)
- Information Systems - Scoping

Roadmap Action Plan

- Presentations to Leading Stakeholders; Working Sessions with Stakeholders
- Action Plan for Implementation.
- Investor Facilitation
- Process Re-engineering
- Elimination of Pre-Approvals
- Reduction of required Municipal Licenses

National Linkages Pilot Program

- Program Design Update
- Pilot Program Launch
- Potentially through a grant to a private sector firm

Strategies for Enterprise Property

- Associated with the JAED Reform Process
- Assessment of the proposed JIEC – FZC merger
- Overview of private property developers
- Vision for evolution of public property function towards increasing private sector involvement.

New Investment and Incentive Law

Law No. () for the Year 2003

LAW FOR THE JORDANIAN AUTHORITY FOR ENTERPRISE DEVELOPMENT

Article (1)

This Law shall be known as the “Law for the Jordanian Authority for Enterprise Development for the Year 2003” and shall come into effect as of the date specified by the Council of Ministers.

Article (2)

The following words and phrases wherever used in this Law shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

Minister	:	The Minister of Industry and Trade.
Authority	:	The Jordanian Authority for Enterprise Development, established pursuant to this Law.
Board	:	The Board of Directors of the Authority.
Chairman	:	The Chairman of the Board.
Chief Executive Officer	:	The Chief Executive Officer of the Authority.
Investment Corporations	:	Any corporation referred to in Paragraph (A) of Article (17) of this Law.

Article (3): Objectives of the Authority

The Authority shall aim at developing and improving the climate for investment, trade, and enterprises, in the Kingdom through proposing the required policies, strategies and implementation programmes for such in cooperation with the relevant entities.

Article (4): Establishment of the Authority

A- An Authority to be known as the “Jordanian Authority for Enterprise Development” shall be established in the Kingdom and shall have a juridical personality with financial and administrative autonomy. As such, the Authority may acquire movable and immovable property and perform all legal acts necessary to achieve its objectives, including concluding contracts, accepting aids, grants and donations, and having the right to litigation. The Civil Attorney General or any attorney appointed by the Authority for this purpose shall represent the Authority in any legal proceedings.

B- The Authority shall be connected to the Minister and shall be answerable to him.

C- The headquarters of the Authority shall be in Amman, and it may establish branches or liaison offices inside and outside the Kingdom.

Article (5): Functions of the Authority

The Authority shall assume the following functions:

- A- Advise the Minister on matters relating to developing enterprises and improving the investment climate and trade in the Kingdom through carrying out studies and proposing policies, strategies and implementation programmes, and in particular the following:
- 1- Studying the investment climate in the Kingdom and proposing the policies, strategies and implementation programmes to develop such.
 - 2- Studying enterprises and economic sectors and economic clusters and proposing the policies, strategies and implementation programmes necessary to support and develop such.
 - 3- Studying and proposing measures to increase Jordan's economic competitiveness.
 - 4- Studying the organizational structure of the corporations that work on implementing the policies proposed in Subparagraphs (1) and (2) of this Paragraph and proposing the proper organizational structure to enable these corporations to efficiently implement these policies and accomplish their objectives and goals.
 - 5- Coordinating the activities of the Investment Corporations in the Kingdom and between these Corporations and other governmental and non-governmental entities.
 - 6- Studying and proposing the national basis, criteria and the procedures related to investment, enterprises and the governmental governance thereof to facilitate all such procedures according to the provisions of this Law, including reviewing and evaluating the registration and licensing procedures of enterprises and the monitoring thereof in the Kingdom to ensure their compliance with international best practices and proposing the necessary amendments thereto.
 - 7- Commenting on legislation relating to investment, trade, the enterprise or other productive economic sectors and the Corporations concerned therewith.
- B- Coordinating and evaluating the performance of the Investment Corporations and the mechanisms with which they conduct their activities according to the provisions of the enacted legislation, and submit reports concerning such to the Minister.
- C- Advising and assisting the Investment Corporations and any other corporations or entities designated by the Minister in enabling them to implement the investment and trade strategies and achieve their objectives and goals.
- D- Carrying out research on trade, investment and enterprise development topics at the instruction of the Minister or in response to requests from other government and non-government entities.
- E- Any other functions consistent with the objectives of the Authority as requested, assigned or approved by the Minister.

Article (6): Powers of the Authority

The Authority shall assume the following powers:

- A- Request from ministries, government departments and public or private institutions the information, statistics and data necessary for its activities, provided that the Authority observes confidentiality where such is required.**
- B- Comment on the budget request of the Investment Corporations submitted thereto and recommend to the Minister concerning such, subject to the provisions of Article (17) of this Law.**

Article (7): Composition of the Board of Directors

- A- The Authority shall be administered and supervised by a Board known as the “Board of Directors for the Jordanian Authority for Enterprise Development”, chaired by the Minister and comprising of the following:**
 - 1. The Chief Executive Officer.
 - 2. The Secretary General of the Ministry of Industry and Trade.
 - 3. The Chief Executive Officer of the Jordan Investment Board.
 - 4. The Chief Executive Officer of the Jordan Enterprise Development Corporation.
 - 5. The Chief Executive Officer of the Jordanian Industrial Estates Corporation.
 - 6. Five members from the private sector of expertise and competence representing different economic sectors appointed by the Council of Ministers, upon the recommendation of the Minister. These Members shall not be from any corporation owned wholly or partially by the Government.
- B- The membership term of the Board members referred to in Subparagraph (6) of Paragraph (A) of this Article shall be for four years, renewable once.**
- C- The membership term of the members referred to in Subparagraph (6) of Paragraph (A) of this Article for the first Board shall be two years for half of its members and four years for the other half as decided by the Minister.**
- D- The Council of Ministers shall nominate one of the Board members as vice-Chairman, to assume the Chairman’s duties in his absence, provided that the vice-Chairman is chosen from amongst the members referred to in Subparagraph (6) of Paragraph (A) of this Article.**
- E- The remuneration of the Board members referred to in Subparagraph (6) of Paragraph (A) and Paragraph (H) of this Article shall be determined by a decision of the Council of Ministers, upon the recommendation of the Minister, provided that the number of sessions attended by each member is taken into consideration.**
- F- THE MEMBERSHIP OF ANY OF THE BOARD MEMBERS REFERRED TO IN SUBPARAGRAPH (6) OF PARAGRAPH (A) AND PARAGRAPH (H) OF THIS ARTICLE MAY BE TERMINATED AT ANY TIME DURING THE BOARD’S TERM AND A REPLACEMENT SHALL BE APPOINTED IN THE SAME MANNER OF APPOINTMENT.**
- G- Prior to exercising his/her duties, any Board member, having any direct or indirect financial personal interest or any interest to his/her spouse, children and relatives of the second degree in any industrial, commercial or service enterprise, must declare the nature of such interest to the Board and shall comply with the Board’s directions in that regard.**

- H- The Minister may, upon the recommendation of the Board of the Authority, add a Board member, provided that the number of members of the Board including the Chairman does not exceed twelve (12) members under any circumstances.

Article (8): Board Meetings

- A- The Board shall convene at least once every month upon an invitation from the Chairman or the vice-Chairman in his absence. The quorum of the Board meetings shall be met upon the attendance of the majority of its members, provided that the Chairman or the vice-Chairman is among them.
- B- The Board shall issue its resolutions by at least a majority vote of the attending members. A member cannot refrain from voting, and each member with an opposing vote shall record such in writing in the minutes of the meeting and sign thereon. In the case of a tied vote, the Chairman of the meeting shall have the casting vote.
- C- The procedures of regulating the Board's functions, meetings and all other matters related thereto shall be determined in accordance with instructions issued by the Board for this purpose.
- D- The Chairman may invite any expert and/or qualified person to attend the Board meetings to offer consultations on the subject presented thereto, without such experts being entitled to vote.
- E- The Chairman shall appoint one of the Authority's staff as secretary to the Board in accordance with the Chief Executive Officer's recommendation. The secretary shall be responsible for organizing the administrative work of the Board, recording its resolutions and obtaining the signatures of the Chairman of the meeting and the other members on such resolutions.

Article (9): Powers and Functions of the Board

The Board shall assume the following powers and functions:

- A- Supervising and overseeing the administrative affairs, regulations and procedures of the Authority.
- B- Approving the Authority's annual work plan.
- C- Approving the organizational structure of the executive body of the Authority as well as, the personnel needs and the job descriptions therein, and supervising its work.
- D- Approving the Corporation's budget and submitting such to the Council of Ministers for endorsement.
- E- Approving the annual report of the Authority's activities, balance sheet and year-end accounts for the previous fiscal year and submitting such to the Council of Ministers.

- F- Proposing necessary draft legislation and any amendments thereto related to the Authority and submitting such to the Minister.
- G- Recommending to the Council of Minister to appoint the certified auditors of the Authority.
- H- Issuing the instructions necessary to govern the Authority's activities.
- I- Any other powers entrusted to the Board pursuant to this Law or any other enacted legislation or delegated thereto by the Minister, provided that the delegation is specific and in writing.

Article (10): Delegation of Powers and Forming of Committees.

- A- 1. **THE BOARD MAY FORM ONE OR MORE PERMANENT OR TEMPORARY COMMITTEES TO ASSIST THE BOARD IN PERFORMING ANY OF ITS AND/OR THE AUTHORITY'S FUNCTIONS STATED IN THIS LAW AND THE REGULATIONS ISSUED PURSUANT THERETO.**
 - 2. **THE METHOD OF CONVENING THE MEETINGS OF ANY OF THE COMMITTEES REFERRED TO IN SUBPARAGRAPH (1) OF THIS PARAGRAPH, THEIR MEMBERSHIP, FUNCTIONS, THE QUORUM OF SUCH MEETINGS AND ALL MATTERS RELATED THERETO SHALL BE DEFINED BY INSTRUCTIONS ISSUED BY THE BOARD FOR THAT PURPOSE.**
- B- The Board may delegate any of its powers stated in this Law and the regulations issued pursuant thereto to the Chairman, vice-Chairman, any Board member, the Chief Executive Officer or any of the committees constituted pursuant to Subparagraph (1) of Paragraph (A) of this Article.
- C- The Board may contract third parties to perform any of the powers and functions entrusted to the Authority pursuant to this Law and the regulations issued in accordance therewith.

Article (11): Powers and Functions of the Chairman

The Chairman shall assume the following powers and functions:

- A- Represent the Authority before third parties.
- B- Sign contracts as authorized by the Board.
- C- Any other powers entrusted therein according to the provisions of this Law, the regulations issued pursuant thereto or delegated thereto by the Board.

Article (12): Chief Executive Officer

The Authority's Chief Executive Officer shall be appointed by a decision of the Council of Ministers, upon the recommendation of the Minister, which is based on the recommendation of the Board. Such decision shall also determine his salary and all his financial entitlements. The services of the Chief Executive Officer shall be terminated in the same manner of appointment.

Article (13): The Functions and Powers of the Chief Executive Officer

The Chief Executive Officer shall assume the following powers and functions:

- A- Implement the general policy of the Authority and execute and oversee the decisions issued according to the provisions of this Law and the regulations issued pursuant thereto.
- B- Manage the work of the Authority, supervise its employees; its administrative, financial and technical affairs; and supplies and works.*
- C- Prepare the programs and plans necessary to achieve the objectives and functions of the Authority, submit the recommendations thereof to the Board, and oversee their implementation.*
- D- Sign contracts and agreements concluded by the Authority with third parties, except those delegated to the Chairman by a decision of the Board.*
- E- Prepare the annual estimated budget of the Authority and the annual report of the activities of the Authority.*
- F- Implement the decisions of the Board.
- G- Any other functions assigned thereto by the Board or entrusted therein pursuant to the provisions of this Law and the regulations issued pursuant thereto or delegated thereto by the Board or the Chairman.*

Article (14): Delegation of Powers

- A- The Chairman may delegate any of his powers stipulated in this Law and the regulations issued pursuant thereto to the Chief Executive Officer or any of the Authority's employees, provided that the delegation is in writing and specific.
- B- The Chief Executive Officer may delegate any of his powers stipulated in this Law and the regulations issued pursuant thereto to any of the Authority's employees, provided that the delegation is in writing and specific.

Article (15): Liaison with other Government Entities

- A- Any Ministry, government department or public institution seeking to adopt any legislation, policies or decisions affecting investment or trade in the Kingdom shall coordinate such activities with the Authority.
- B- Ministries, government departments and public institutions shall provide the Authority with the information, statistics and data it requires in a necessary precise and timely manner required for such submit.

Article (16): Reporting

The Authority shall submit to the Minister a semi-annual report inclusive of the activities that the Authority performed, the recommendations and advice it submitted thereto, the obstacles it faced and the suggestions to solve such.

Article (17): The Investment Corporations

A- Each of the following Investment Corporations shall submit a copy of its annual budget and any budget requests and any other budget, as well as administrative requests related matters to the Authority prior to their approval:

1. The Jordan Investment Board.
2. The Jordanian Industrial Estates Corporation.
3. The Jordan Enterprise Development Corporation.
4. Any other corporation to be added upon a decision of the Council of Ministers.

B- The Authority shall review the budget of each of the Investment Corporations in collaboration and coordination with the relevant Investment Corporation. The Investment Corporation, whenever possible, shall take the Authority's comments into consideration. If the parties do not agree on the comments, the matter shall be referred to the Minister for resolving.

C- In all cases, the Authority shall submit its comments concerning the budget of each Investment Corporation to the Minister.

Article (18): The Relationship of the Investment Corporations with the Authority

The relationship between the Authority and the Investment Corporations shall be based on cooperation and coordination in order to develop and improve the climate for investment and trade and enterprises in the Kingdom and to facilitate the procedures related to domestic and foreign investment and trade in order to achieve the objectives of the Authority and those of the Investment Corporations. In order to achieve such, the Investment Corporations shall abide by the following:

A- Each Investment Corporation shall submit to the Authority a semi-annual report inclusive of the activities that the Corporation was supposed to perform, the activities that the Corporation has actually performed within the previous period, the obstacles it faced and the suggestions to solve such.

B- The Board shall review the periodical report referred to in Paragraph (A) of this Article to estimate the extent in which the Investment Corporation has achieved its objectives and projects within the prescribed period of the report and shall put the comments and suggestions it deems appropriate regarding the performance of any Investment Corporation based on the periodical report. A copy of these comments and suggestions shall be sent to the concerned Corporation.

- C- Each Investment Corporation shall aid the Authority in performing its functions through providing the Authority with the feedback and information it requires.

Article (19): The Financial Affairs of the Authority

A- The Authority's fiscal year shall start on January 1st of every year and end on December 31st of the same year.

B- WITHIN THE FOUR MONTHS FOLLOWING THE END OF ITS FINANCIAL YEAR, THE AUTHORITY SHALL PREPARE A COMPREHENSIVE REPORT ON ITS ACTIVITIES, ACCOMPANIED BY ITS FINAL ACCOUNTS CERTIFIED BY THE AUDITORS, AND SHALL SUBMIT SUCH REPORT TO THE BOARD FOR APPROVAL.

C- IN ORGANIZING ITS ACCOUNTS AND RECORDS, THE AUTHORITY SHALL ADOPT GENERALLY ACCEPTED COMMERCIAL ACCOUNTING PRACTICES.

D- THE AUDIT BUREAU SHALL POST AUDIT THE AUTHORITY'S ACCOUNTS. THE AUTHORITY MAY APPOINT A CERTIFIED AUDITOR WHO SHALL SUBMIT HIS AUDIT REPORT TO THE COUNCIL OF MINISTERS.

Article (20): Exemptions of the Authority

The Authority shall enjoy the exemptions and facilities granted to Ministries and Government Departments.

Article (21): Revenues of the Authority

The Authority shall have a separate budget. Its financial resources shall consist of the following:

- A- The annual funds allocated for the Authority in the General Budget.
- B- Local or foreign loans, provided that the Council of Ministers approves the foreign loans.
- C- Aid, grants and donations it receives, provided that such shall be subject to the approval of the Council of Ministers if the source is not Jordanian.
- D- Any other source of revenue approved by the Board.

Article (22): Implementing Recommendations

A- The Minister shall review the proposals and advice submitted thereto according to the provisions of Paragraph (A) of Article (5) of this Law and shall take the necessary procedures thereto according to the provisions of the enacted legislation in the Kingdom.

B- The Council of Ministers shall endorse the general investment strategies.

Article (23): Formulation of the Board

A- For the purposes of the recommendation referred to in Article (12) of this Law, the composition of the Board members shall be as referred to in Subparagraphs (2), (3), (4), (5) and (6) of Paragraph (A) and Paragraph (H) of Article (7) of this Law.

- B- The quorum of the Board meetings and the taking of decisions to implement Article (12) of this Law, the majority stipulated in Article (8) of this Law shall be according to the composition stipulated in Paragraph (A) of this Article.

Article (24): Issuance of Regulations

The Council of Ministers shall issue the necessary regulations to regulate the Authority's activities and procedures, including the following:

- A- The employees and personnel affairs of the Authority.
- B- The procurement and supplies affairs of the Authority.
- C- The financial affairs of the Authority.

Article (25): Implementing the Law

THE COUNCIL OF MINISTERS AND THE MINISTERS SHALL BE RESPONSIBLE FOR IMPLEMENTING THE PROVISIONS OF THIS LAW.

Law No () for the Year 2003

The Jordan Investment Board Law**Article (1)**

This Law shall be known as “The Jordan Investment Board Law for the Year 2003” and shall come into effect as of the date specified by the Council of Ministers.

Article (2)

The following words and phrases wherever used in this Law shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

Minister	: The Minister of Industry and Trade.
Corporation	: The Jordan Investment Board established pursuant to this Law.
Board	: The Board of Directors of the Corporation.
Chairman	: The chairman of the Board.
Chief Executive Officer	: The Chief Executive Officer of the Corporation.
Authority	: The Jordanian Authority for Enterprise Development.
Project	: Any economic activity to which the provisions of this Law and the regulations and instructions issued pursuant thereto shall apply .

ARTICLE (3): ESTABLISHMENT OF THE CORPORATION

- A- A CORPORATION TO BE KNOWN AS THE “JORDAN INVESTMENT BOARD” SHALL BE ESTABLISHED IN THE KINGDOM AND SHALL HAVE A JURIDICAL PERSONALITY WITH FINANCIAL AND ADMINISTRATIVE AUTONOMY. AS SUCH, THE CORPORATION MAY ACQUIRE MOVABLE AND IMMOVABLE PROPERTY AND PERFORM ALL LEGAL ACTS NECESSARY TO ACHIEVE ITS OBJECTIVES, INCLUDING CONCLUDING CONTRACTS, ACCEPTING AIDS, GRANTS AND DONATIONS, AND HAVING THE RIGHT TO LITIGATION. THE CIVIL ATTORNEY GENERAL OR ANY ATTORNEY APPOINTED BY THE CORPORATION FOR THIS PURPOSE SHALL REPRESENT THE CORPORATION IN ANY LEGAL PROCEEDINGS.**
- B- THE CORPORATION SHALL BE CONNECTED TO THE MINISTER AND SHALL BE ANSWERABLE TO HIM.**
- C- THE HEADQUARTERS OF THE CORPORATION SHALL BE IN AMMAN, AND IT MAY ESTABLISH BRANCHES OR LIAISON OFFICES, INSIDE AND OUTSIDE THE KINGDOM.**

ARTICLE (4): LEGAL BASIS OF THE CORPORATION

- A- AS OF THE DATE SPECIFIED BY THE COUNCIL OF MINISTERS, THE CORPORATION SHALL BECOME THE LEGAL AND FACTUAL SUCCESSOR**

OF THE INVESTMENT PROMOTION CORPORATION, ESTABLISHED PURSUANT TO THE INVESTMENT PROMOTION LAW NO. (16) FOR THE YEAR 1995 ACCORDING TO THE PROVISIONS OF THIS LAW, WHEREBY ALL ITS FUNDS, RIGHTS AND OBLIGATIONS SHALL BE TRANSFERRED TO THE CORPORATION ACCORDING TO THE PROVISIONS OF THIS LAW.

- B- ALL EMPLOYEES AND PERSONNEL OF THE INVESTMENT PROMOTION CORPORATION ESTABLISHED PURSUANT TO THE INVESTMENT PROMOTION LAW NO. (16) FOR THE YEAR 1995 SHALL BE TRANSFERRED TO THE CORPORATION.**

**ARTICLE (5): POWERS AND FUNCTIONS OF THE CORPORATION
THE CORPORATION SHALL AIM AT PROMOTING INWARD DIRECT INVESTMENTS IN THE KINGDOM, IN ACCORDANCE WITH THE PRESCRIPTIONS OF THE AUTHORITY. TO ACHIEVE SUCH, THE CORPORATION SHALL ASSUME THE FOLLOWING POWERS AND FUNCTIONS:**

- A- SETTING AND IMPLEMENTING PROMOTION PROGRAMS TO ATTRACT INWARD DIRECT INVESTMENT TO THE KINGDOM. THESE ACTIVITIES MAY TAKE PLACE BOTH INSIDE AND OUTSIDE THE KINGDOM.**
- B- IDENTIFYING INVESTMENT OPPORTUNITIES IN THE KINGDOM IN COORDINATION WITH THE AUTHORITY AND, PROMOTING AND MOTIVATING INWARD DIRECT INVESTMENTS THEREIN.**
- C- ESTABLISHING AN INVESTMENT WINDOW WHICH SHALL UNDERTAKE TO ASSIST PROJECTS IN OBTAINING THE REQUIRED REGISTRATION, LICENSES AND APPROVALS ON SUCH PROJECTS FROM OTHER AUTHORITIES PURSUANT TO THE LEGISLATION IN FORCE.**
- D- PROVIDING PROJECTS WITH FOLLOW-UP AND AFTER CARE SERVICES.**
- E- GIVING ADVICE, PROVIDING AVAILABLE INFORMATION AND DATA AND ISSUING RELATED GUIDES FOR INVESTORS.**
- F- ADMINISTERING SUCH SCHEMES, GRANTS AND OTHER FINANCIAL FACILITIES AS MAY FROM TIME TO TIME BE AUTHORIZED BY THE MINISTER WITH THE APPROVAL OF THE COUNCIL OF MINISTERS.**
- G- ACTING AS REPRESENTATIVE OF THE MINISTER IN COORDINATING THE DIRECT INVESTMENT-RELATED ACTIVITIES OF DONOR PROGRAMS IN THE KINGDOM.**
- I- ENHANCING CONFIDENCE IN THE INVESTMENT CLIMATE, INCLUDING FOLLOWING UP ON INVESTMENT AGREEMENTS.**
- J- ANY OTHER FUNCTIONS CONSISTENT WITH THE MISSION OF ATTRACTING AND PROMOTING DIRECT INVESTMENT INTO THE KINGDOM AS MAY BE REQUESTED, ASSIGNED OR APPROVED BY THE MINISTER.**

ARTICLE (6): COMPOSITION OF THE BOARD OF DIRECTORS

- A- THE CORPORATION SHALL BE ADMINISTERED AND SUPERVISED BY A BOARD KNOWN AS (THE BOARD OF DIRECTORS OF THE JORDAN INVESTMENT BOARD) CHAIRED BY THE MINISTER AND COMPRISING OF THE FOLLOWING:**
 - 1- THE CHIEF EXECUTIVE OFFICER.**
 - 2- THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY.**
 - 3- REPRESENTATIVE OF THE MINISTRY OF INDUSTRY AND TRADE NOMINATED BY THE MINISTER.**
 - 4- THE CHIEF EXECUTIVE OFFICER OF THE JORDANIAN INDUSTRIAL ESTATES CORPORATION.**

- 5- THE CHIEF EXECUTIVE OFFICER OF THE JORDAN ENTERPRISE DEVELOPMENT CORPORATION.**
- 6- FIVE MEMBERS FROM THE PRIVATE SECTOR OF EXPERTISE AND COMPETENCE REPRESENTING DIFFERENT ECONOMIC SECTORS, APPOINTED BY THE MINISTER. THESE MEMBERS SHALL NOT BE FROM ANY CORPORATION OWNED WHOLLY OR PARTIALLY BY THE GOVERNMENT.**
- B- THE MEMBERSHIP TERM OF THE BOARD MEMBERS REFERRED TO IN SUBPARAGRAPHS (3) AND (6) OF PARAGRAPH (A) OF THIS ARTICLE SHALL BE FOR FOUR YEARS, RENEWABLE ONCE.**
- C- THE MEMBERSHIP TERM OF THE MEMBERS REFERRED TO IN SUBPARAGRAPH (6) OF PARAGRAPH (A) OF THIS ARTICLE FOR THE FIRST BOARD SHALL BE TWO YEARS FOR HALF OF ITS MEMBERS AND FOUR YEARS FOR THE OTHER HALF AS DECIDED BY THE MINISTER.**
- D- THE COUNCIL OF MINISTERS SHALL NOMINATE ONE OF THE BOARD MEMBERS AS VICE-CHAIRMAN, TO ASSUME THE CHAIRMAN'S DUTIES IN HIS ABSENCE, PROVIDED THAT THE VICE-CHAIRMAN IS CHOSEN FROM AMONGST THE MEMBERS REFERRED TO IN SUBPARAGRAPH (6) OF PARAGRAPH (A) OF THIS ARTICLE.**
- E- The remuneration of the Board members referred to in Subparagraph (6) of Paragraph (A) and Paragraph (H) of this Article shall be determined by a decision of the Council of Ministers, upon the recommendation of the Minister, provided that the number of sessions attended by each member is taken into consideration.**
- F- THE MEMBERSHIP OF ANY OF THE BOARD MEMBERS REFERRED TO IN SUBPARAGRAPH (6) OF PARAGRAPH (A) AND PARAGRAPH (H) OF THIS ARTICLE MAY BE TERMINATED AT ANY TIME DURING THE BOARD'S TERM AND A REPLACEMENT SHALL BE APPOINTED IN THE SAME MANNER OF APPOINTMENT.**
- G- PRIOR TO EXERCISING HIS/HER DUTIES, ANY BOARD MEMBER, HAVING ANY DIRECT OR INDIRECT FINANCIAL PERSONAL INTEREST OR ANY INTEREST TO HIS/HER SPOUSE, CHILDREN AND RELATIVES OF THE SECOND DEGREE IN ANY INDUSTRIAL, COMMERCIAL OR SERVICE ENTERPRISE, MUST DECLARE THE NATURE OF SUCH INTEREST TO THE BOARD AND SHALL COMPLY WITH THE BOARD'S DIRECTIONS IN THAT REGARD.**
- H- THE MINISTER MAY, UPON THE RECOMMENDATION OF THE BOARD OF THE CORPORATION, ADD A BOARD MEMBER, PROVIDED THAT THE NUMBER OF MEMBERS OF THE BOARD INCLUDING THE CHAIRMAN DOES NOT EXCEED TWELVE (12) MEMBERS UNDER ANY CIRCUMSTANCES.**

ARTICLE (7): BOARD MEETINGS

- A- THE BOARD SHALL CONVENE AT LEAST ONCE A MONTH UPON AN INVITATION FROM THE CHAIRMAN OR THE VICE-CHAIRMAN IN HIS ABSENCE. THE QUORUM OF THE BOARD MEETINGS SHALL BE MET UPON THE ATTENDANCE OF THE MAJORITY OF ITS MEMBERS, PROVIDED THAT THE CHAIRMAN OR THE VICE-CHAIRMAN IS AMONG THEM.**
- B- THE BOARD SHALL ISSUE ITS RESOLUTIONS BY AT LEAST A MAJORITY VOTE OF THE ATTENDING MEMBERS. A MEMBER**

CANNOT REFRAIN FROM VOTING, AND EACH MEMBER WITH AN OPPOSING VOTE SHALL RECORD SUCH IN WRITING IN THE MINUTES OF THE MEETING AND SIGN THEREON. IN CASE OF A TIED VOTE, THE CHAIRMAN OF THE MEETINGS SHALL HAVE THE CASTING VOTE.

- C- The procedures of regulating the Board's functions, meetings and all other matters related thereto shall be determined in accordance with instructions issued by the Board for this purpose.
- D- The Chairman may invite any expert and/or qualified person to attend the Board meetings to offer consultations on the subject presented thereto, without such experts being entitled to vote.
- E- **THE CHAIRMAN SHALL APPOINT ONE OF THE CORPORATION'S STAFF AS SECRETARY TO THE BOARD IN ACCORDANCE WITH THE CHIEF EXECUTIVE OFFICER'S RECOMMENDATION. THE SECRETARY SHALL BE RESPONSIBLE FOR ORGANIZING THE ADMINISTRATIVE WORK OF THE BOARD, RECORDING ITS RESOLUTIONS AND OBTAINING THE SIGNATURES OF THE CHAIRMAN OF THE MEETING AND THE OTHER MEMBERS ON SUCH RESOLUTIONS.**

ARTICLE (8): POWERS AND FUNCTIONS OF THE BOARD

THE BOARD SHALL ASSUME THE FOLLOWING POWERS AND FUNCTIONS:

- A- **SUPERVISING AND OVERSEEING THE ADMINISTRATIVE AFFAIRS OF THE CORPORATION.**
- B- **APPROVING THE CORPORATION'S ANNUAL WORK PLAN.**
- C- **CONTRIBUTING IN PROPOSING INVESTMENT POLICIES IN THE KINGDOM, IN PARTICULAR RELATING TO INWARD DIRECT INVESTMENTS, AND SETTING THE NECESSARY PLANS AND PROGRAMS TO IMPLEMENT WHAT IS RELATED TO SUCH INVESTMENT POLICIES AND SUBMITTING ITS RECOMMENDATIONS CONCERNING SUCH TO THE AUTHORITY.**
- D- **APPROVING THE BUDGET AND SUBMITTING SUCH TO THE COUNCIL OF MINISTERS FOR ENDORSEMENT.**
- E- **ISSUING THE INSTRUCTIONS NECESSARY TO GOVERN THE CORPORATION'S ACTIVITIES.**
- F- **DETERMINING CHARGES FOR SERVICES RENDERED BY THE CORPORATION.**
- G- **APPROVING THE ORGANIZATIONAL STRUCTURE OF THE EXECUTIVE BODY OF THE CORPORATION, AS WELL AS THE PERSONNEL NEEDS AND THE JOB DESCRIPTIONS THEREIN AND SUPERVISING ITS WORK.**
- H- **APPROVING THE ANNUAL REPORT OF THE CORPORATION'S ACTIVITIES, BALANCE SHEET AND YEAR-END ACCOUNTS FOR THE PREVIOUS FISCAL YEAR AND SUBMITTING SUCH TO THE COUNCIL OF MINISTERS.**
- I- **PROPOSING DRAFT LEGISLATION AND ANY AMENDMENTS THERETO RELATED TO THE CORPORATION, IN COORDINATION WITH THE AUTHORITY.**
- K- **RECOMMENDING TO THE COUNCIL OF MINISTER TO APPOINT THE CERTIFIED AUDITORS OF THE CORPORATION.**
- L- **ESTABLISHING BRANCHES AND/OR REPRESENTATIVES OF THE CORPORATION ANYWHERE INSIDE OR OUTSIDE THE KINGDOM.**
- M- **ANY OTHER POWERS ENTRUSTED TO THE BOARD PURSUANT TO THIS LAW OR ANY OTHER ENACTED LEGISLATION OR DELEGATED THERETO**

BY THE MINISTER, PROVIDED THAT THE DELEGATION IS SPECIFIC AND IN WRITING.

Article (9): Delegation of Powers and Forming of Committees

A- 1. THE BOARD MAY FORM ONE OR MORE PERMANENT OR TEMPORARY COMMITTEES TO ASSIST THE BOARD IN PERFORMING ANY OF ITS AND/OR THE CORPORATION'S FUNCTIONS STATED IN THIS LAW AND THE REGULATIONS ISSUED PURSUANT THERETO.

3. THE METHOD OF CONVENING THE MEETINGS OF ANY OF THE COMMITTEES REFERRED TO IN SUBPARAGRAPH (1) OF THIS PARAGRAPH, THEIR MEMBERSHIP, FUNCTIONS, THE QUORUM OF SUCH MEETINGS, AND ALL MATTERS RELATED THERETO SHALL BE DEFINED BY INSTRUCTIONS ISSUED BY THE BOARD FOR THAT PURPOSE.

B- The Board may delegate any of its powers stated in this Law and the regulations issued pursuant thereto to the Chairman, vice-Chairman, any Board member, the Chief Executive Officer, or any of the committees constituted pursuant to Subparagraph (1) of Paragraph (A) of this Article.

C- THE BOARD MAY CONTRACT THIRD PARTIES TO PERFORM ANY OF THE POWERS AND FUNCTIONS ENTRUSTED TO THE CORPORATION PURSUANT TO THIS LAW AND THE REGULATIONS ISSUED IN ACCORDANCE THEREWITH.

ARTICLE (10): POWERS AND FUNCTIONS OF THE CHAIRMAN

The Chairman shall assume the following powers and functions:

A- Represent the Corporation before third parties.

B- Sign contracts as authorized by the Board.

C- Any other powers entrusted therein according to the provisions of this Law, the regulations issued pursuant thereto, or delegated thereto by the Board.

ARTICLE (11): CHIEF EXECUTIVE OFFICER

The Corporation's Chief Executive Officer shall be appointed by a decision of the Council of Ministers, upon the recommendation of the Minister, which is based on the recommendation of the Board. Such decision shall also determine his salary and all his financial entitlements. The services of the Chief Executive Officer shall be terminated in the same manner of appointment.

**ARTICLE (12): FUNCTIONS AND POWERS OF THE CHIEF EXECUTIVE OFFICER
THE CHIEF EXECUTIVE OFFICER SHALL ASSUME THE FOLLOWING POWERS
AND FUNCTIONS :**

A- Implement the general policy of the Corporation and execute and oversee decisions issued according to the provisions of this Law and the regulations issued pursuant thereto.

B- Manage the work of the Corporation, supervise its employees; administrative, financial and technical affairs; and supplies and works.

C- Prepare the programs and plans necessary to achieve the objectives and functions of the Corporation, submit the recommendations thereof to the Board, and oversee their implementation.

D- Sign contracts and agreements concluded by the Corporation with third parties, except those delegated to the Chairman by a decision of the Board.

E- Prepare the annual estimated budget of the Corporation and the annual report of the activities of the Corporation.

F- Any other functions assigned thereto by the Board or entrusted therein pursuant to the provisions of this Law and the regulations issued pursuant thereto or delegated thereto by the Board or the Chairman.

**ARTICLE (13): LIAISON WITH OTHER MINISTRIES AND CORPORATIONS
ANY MINISTRY, PUBLIC BODY OR GOVERNMENT INSTITUTION SEEKING TO
UNDERTAKE ANY ACTIVITIES PROMOTING DIRECT INVESTMENTS SHALL DO
SO IN COORDINATION WITH THE CORPORATION.**

ARTICLE (14):

A- ALL MINISTRIES, GOVERNMENTAL DEPARTMENTS AND PUBLIC INSTITUTIONS SHALL DO WHATEVER IS NECESSARY TO ASSIST THE CORPORATION IN PERFORMING ITS DUTIES, INCLUDING ISSUING THEIR REASONED DECISION CONCERNING THE LICENSING REQUESTED BY THE PROJECT FROM SUCH MINISTRIES AND CORPORATION WITHIN THIRTY DAYS FROM THE DATE ON WHICH THE APPLICATION FOR LICENSING WAS SUBMITTED.

B- THE MINISTER SHALL HAVE THE RIGHT TO ISSUE A DECISION TO LICENSE A CERTAIN PROJECT IF THE RELEVANT MINISTRIES, GOVERNMENTAL DEPARTMENTS OR PUBLIC INSTITUTIONS FAIL TO ISSUE A REASONED DECISION REGARDING THE LICENSING WITHIN THE PERIOD SPECIFIED ACCORDING TO PARAGRAPH (A) OF THIS ARTICLE.

**ARTICLE (15): REVENUES OF THE CORPORATION.
THE CORPORATION SHALL HAVE A SEPARATE BUDGET. ITS FINANCIAL
RESOURCES SHALL CONSIST OF THE FOLLOWING:**

- 1. THE ANNUAL FUNDS ALLOCATION FOR THE CORPORATION IN THE GENERAL BUDGET.**

- 2. CHARGES FOR SERVICES RENDERED BY THE CORPORATION AND OTHER RETURNS RECEIVED THEREBY.**
- 3. LOCAL OR FOREIGN LOANS, PROVIDED THAT THE COUNCIL OF MINISTERS APPROVES THE FOREIGN LOANS.**
- 4. PROFITS ON INVESTMENTS OF THE CORPORATION'S FUNDS.**
- 5. AID, GRANTS AND DONATIONS IT RECEIVES, PROVIDED THAT SUCH SHALL BE SUBJECT TO THE APPROVAL OF THE COUNCIL OF MINISTERS IF THE SOURCE IS NOT JORDANIAN.**
- 6. ANY OTHER SOURCE OF REVENUE APPROVED BY THE BOARD.**

ARTICLE (16): FINANCIAL AFFAIRS OF THE CORPORATION

- A- THE FISCAL YEAR OF THE CORPORATION SHALL START ON THE 1ST OF JANUARY OF EACH YEAR AND SHALL END ON 31ST OF DECEMBER OF THE SAME YEAR.**
- B- WITHIN THE FOUR MONTHS FOLLOWING THE END OF ITS FISCAL YEAR, THE CORPORATION SHALL PREPARE A COMPREHENSIVE REPORT ON ITS ACTIVITIES, ACCOMPANIED BY ITS FINAL ACCOUNTS CERTIFIED BY THE AUDITORS, AND SHALL SUBMIT SUCH REPORT TO THE BOARD FOR APPROVAL.**
- C- IN ORGANIZING ITS ACCOUNTS AND RECORDS, THE CORPORATION SHALL ADOPT GENERALLY ACCEPTED COMMERCIAL ACCOUNTING PRACTICES.**
- D- THE AUDIT BUREAU SHALL POST AUDIT THE CORPORATION'S ACCOUNTS. THE CORPORATION MAY APPOINT A CERTIFIED AUDITOR WHO SHALL SUBMIT HIS AUDIT REPORT TO THE COUNCIL OF MINISTERS.**

ARTICLE (17): EXEMPTIONS OF THE CORPORATION

THE CORPORATION SHALL ENJOY THE EXEMPTIONS GRANTED TO MINISTRIES AND GOVERNMENT DEPARTMENTS.

ARTICLE (18): REPORTING

- A- The Corporation shall submit to the Minister and the Authority a semi-annual report inclusive of the activities that the Corporation was supposed to perform, the activities that the Corporation has actually performed within the previous period, the obstacles it faced and the suggestions to solve such.**
- B- The Corporation shall also discuss its annual operating budget request with the Authority.**
- C- The Corporation, wherever possible, shall take the Authority's comments into consideration. If the parties do not agree on the comments, the matter shall be referred to the Minister for resolving.**

- D- The Corporation shall provide the Authority with any feedback or information requested that would assist the Authority in performing its functions.

ARTICLE (19): CHARGES FOR SERVICES

The charges received by the Corporation for the services it renders shall be determined pursuant to instructions issued by the Board.

Article (20): Delegation of Powers

- A- The Chairman may delegate any of his powers stipulated in this Law and the regulations issued pursuant thereto to the vice-Chairman, Chief Executive Officer or any of the Corporation's employees, provided that the delegation is specific and in writing .
- B- The Chief Executive Officer may delegate any of his powers stipulated in this Law and the regulations issued pursuant thereto to any of the Corporation's employees, provided that the delegation is in writing and specific.

Article (21): Formulation of the Board

- A- For the purposes of the recommendation referred to in Article (11) of this Law, the composition of the Board members shall be as referred to in Subparagraphs (2), (3), (4), (5) and (6) of Paragraph (A) and Paragraph (H) of Article (6) of this Law.
- B- The quorum of the Board meetings and the taking of decisions to implement Article (11) of this Law in the majority stipulated in Paragraph (B) of Article (7) of this Law shall be according to the composition stipulated in Paragraph (A) of this Article.

Article (22): General Provision

In cases other than those stipulated in this Law, the provisions relating to investments in the enacted Investment Law shall apply to investments.

Article (23): Issuance of Regulations

The Council of Ministers shall issue the necessary regulations to regulate the Corporation's activities and procedures, including the following:

- A- The Corporation's employees and personnel affairs.
- B- The procurement and works affairs of the Corporation.
- C- The financial affairs of the Corporation.

ARTICLE (24): IMPLEMENTING THE LAW

THE COUNCIL OF MINISTERS AND THE MINISTERS SHALL BE RESPONSIBLE FOR IMPLEMENTING THE PROVISIONS OF THIS LAW.

Law No () for the Year 2003

The Jordan Enterprise Development Corporation

Article (1)

This Law shall be known as “The Jordan Enterprise Development Corporation Law for the Year 2003” and shall come into effect as of the date specified by the Council of Ministers.

Article (2)

The following words and phrases wherever used in this Law shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

Minister	: The Minister of Industry and Trade.
Corporation	: The Jordan Enterprise Development Corporation established pursuant to this Law.
Board	: The Board of Directors of the Corporation.
Chairman	: The chairman of the Board.
Chief Executive Officer	: The Chief Executive Officer of the Corporation.
Authority	: The Jordan Authority for Enterprise Development.
Enterprise	: Any economic activity within Jordan to which the provisions of this Law and the regulations and instructions issued pursuant thereto shall apply.

ARTICLE (3): ESTABLISHMENT OF THE CORPORATION

- A- A CORPORATION TO BE KNOWN AS THE “JORDANIAN ENTERPRISE DEVELOPMENT CORPORATION” SHALL BE ESTABLISHED IN THE KINGDOM AND SHALL HAVE A JURIDICAL PERSONALITY WITH FINANCIAL AND ADMINISTRATIVE AUTONOMY. AS SUCH, THE CORPORATION MAY ACQUIRE MOVABLE AND IMMOVABLE PROPERTY AND PERFORM ALL LEGAL ACTS NECESSARY TO ACHIEVE ITS OBJECTIVES, INCLUDING CONCLUDING CONTRACTS, ACCEPTING AIDS, GRANTS AND DONATIONS, AND HAVING THE RIGHT TO LITIGATION. THE CIVIL ATTORNEY GENERAL OR ANY ATTORNEY APPOINTED BY THE CORPORATION FOR THIS PURPOSE SHALL REPRESENT THE CORPORATION IN ANY LEGAL PROCEEDINGS.**
- B- THE CORPORATION SHALL BE CONNECTED TO THE MINISTER AND SHALL BE ANSWERABLE TO HIM.**

**C- THE HEADQUARTERS OF THE CORPORATION SHALL BE IN AMMAN,
AND IT MAY ESTABLISH BRANCHES OR LIAISON OFFICES INSIDE AND
OUTSIDE THE KINGDOM.**

ARTICLE (4): LEGAL BASIS OF THE CORPORATION

- A- THE JORDAN EXPORTS AND COMMERCIAL CENTERS CORPORATION, ESTABLISHED PURSUANT TO THE JORDAN EXPORTS AND COMMERCIAL CENTERS CORPORATION LAW NO. (21) FOR THE YEAR 1972, SHALL BE DISSOLVED PURSUANT TO THIS LAW.**
- B- THE FUNDS AND ASSETS OF THE CORPORATION REFERRED TO IN PARAGRAPH (A) OF THIS ARTICLE SHALL BE DISTRIBUTED AMONGST ITS SHAREHOLDERS EACH **AS PER THE PERCENTAGE OF HIS PARTICIPATION IN THE CAPITAL/ DECIDED BY THE COUNCIL OF MINISTERS.****
- C- SUBJECT TO THE PROVISIONS OF PARAGRAPH (C) OF ARTICLE (5) OF THIS LAW, THE RIGHTS OF THE EMPLOYEES AND PERSONNEL OF THE CORPORATION REFERRED TO IN PARAGRAPH (A) OF THIS ARTICLE SHALL BE SETTLED ACCORDING TO THE PROVISIONS OF THE CORPORATION'S INTERNAL INSTRUCTIONS RELATED TO EMPLOYEES AND THE ENACTED LABOR LAW.**

ARTICLE (5)

- A- AS OF THE DATE SPECIFIED BY THE COUNCIL OF MINISTERS, THE CORPORATION SHALL BECOME THE LEGAL AND FACTUAL SUCCESSOR OF THE JORDAN EXPORTS AND COMMERCIAL CENTERS CORPORATION, ESTABLISHED PURSUANT TO THE JORDAN EXPORTS AND COMMERCIAL CENTERS CORPORATION LAW NO. (21) FOR THE YEAR 1972, ACCORDING TO THE PROVISIONS OF THIS LAW AND SHALL REPLACE IT IN THE OWNERSHIP OF ITS FUNDS AND ASSETS IN ALL THEIR KINDS AND SHALL REPLACE IT IN ALL ITS RIGHTS, OBLIGATIONS, CONTRACTS AND AGREEMENTS.**
- B- ALL THE OBLIGATIONS CONSEQUENTIAL ON THE JORDAN EXPORTS AND COMMERCIAL CENTERS CORPORATION LAW NO. (21) FOR THE YEAR 1972 SHALL BE LOST BY PRESCRIPTION FROM THE DATE REFERRED TO IN PARAGRAPH (A) OF THIS ARTICLE, EXCEPT THE LAWSUITS CURRENTLY BEING HEARD BY THE COMPETENT COURTS PRIOR TO THIS DATE.**
- C- 1- A FUND SHALL BE ESTABLISHED PURSUANT TO THIS LAW IN WHICH A CERTAIN AMOUNT OF MONEY WILL BE DEPOSITED ACCORDING TO WHAT IS DETERMINED BY THE COUNCIL OF MINISTERS UPON THE RECOMMENDATION OF THE MINISTER. THIS FUND SHALL BE USED IN PAYING ALL THE ENTITLEMENTS DUE ON THE JORDAN EXPORTS AND COMMERCIAL CENTERS CORPORATION, ESTABLISHED PURSUANT TO THE JORDAN EXPORTS AND COMMERCIAL CENTERS CORPORATION LAW NO. (21) FOR THE YEAR 1972, AS A RESULT OF THE LAWSUITS REFERRED TO IN PARAGRAPH (B) OF THIS ARTICLE.**
- 2- THE COUNCIL OF MINISTERS SHALL, UPON THE RECOMMENDATION OF THE MINISTER, DETERMINE THE ACCRUAL OF THE MONEY REMAINING IN THE FUND REFERRED TO IN SUBPARAGRAPH (1) OF THIS PARAGRAPH AFTER PAYING THE ENTITLEMENTS DUE FOR WHICH THIS FUND WAS ESTABLISHED.**
- 3- ALL PROCEEDS ON THE FUND'S MONEY SHALL BE CONSIDERED REVENUE FOR THE PUBLIC TREASURY.**
- D- THE CORPORATION SHALL BE ENTITLED TO APPOINT WHOMEVER IT NEEDS FROM THE EMPLOYEES AND PERSONNEL OF THE CORPORATION REFERRED TO IN PARAGRAPH (A) OF THIS ARTICLE ACCORDING TO CONDITIONS AND BASES DETERMINED PURSUANT TO**

**THE REGULATION REFERRED TO IN PARAGRAPH (A) OF ARTICLE (23)
OF THIS LAW.**

ARTICLE (6): POWERS AND FUNCTIONS OF THE CORPORATION
THE CORPORATION SHALL AIM AT PROMOTING ENTERPRISE DEVELOPMENT IN THE KINGDOM IN COORDINATION AND COLLABORATION WITH THE AUTHORITY AND AT INCREASING EXPORTS AND EXPORT OPPORTUNITIES. TO ACHIEVE SUCH OBJECTIVES, THE CORPORATION SHALL ASSUME THE FOLLOWING POWERS AND FUNCTIONS:

A. TRADE DEVELOPMENT

7. CONTRIBUTING TO NATIONAL EXPORT DEVELOPMENT AND PROMOTION ACCORDING TO THE APPROVED POLICIES OF THE GOVERNMENT, INCLUDING IMPLEMENTING OF AGREEMENTS AND PROTOCOLS CONCLUDED WITH OTHERS TO EXCHANGE COMMODITIES.
8. IMPLEMENTING GENERAL POLICY RELATED TO PROMOTING ENTERPRISE DEVELOPMENT FOR EXPORT PURPOSES.
9. ESTABLISHING TRADE CENTERS AND EXHIBITIONS INSIDE AND OUTSIDE THE KINGDOM AS WELL AS ORGANIZING THE PROMOTION AND MARKETING OF JORDANIAN PRODUCTS.
10. PREPARING STUDIES AND RESEARCH, AS WELL AS PROVIDING INFORMATION SERVICES AND TECHNICAL EXPERTISE TO SUPPORT EXPORT OPERATIONS, INCLUDING SURVEYING FOREIGN MARKETS TO PROMOTE JORDANIAN COMMODITIES AND SERVICES THEREIN.
11. ANY OTHER FUNCTIONS CONSISTENT WITH THE MISSION OF DEVELOPING EXPORTS AND TRADE AS MAY BE REQUESTED, ASSIGNED OR APPROVED BY THE MINISTER.

B. ENTERPRISE DEVELOPMENT.

- 1 PROVIDING ADVICE AND AVAILABLE INFORMATION AND DATA FOR USE BY ENTERPRISES AND ISSUING RELATED GUIDES.
- 2 ASSISTING ENTERPRISES IN STRATEGY ASSESSMENT AND FORMULATION AND STRENGTHENING THEIR SKILLS BASE.
- 3 DEVELOPING THE CAPACITY OF ENTERPRISES TO INNOVATE AND UNDERTAKE RESEARCH, DEVELOPMENT AND DESIGN.
- 4 PROVIDING ENTERPRISES WITH FOLLOW-UP AND AFTER-CARE SERVICES.
- 5 ACTING AS REPRESENTATIVE OF THE MINISTER IN COORDINATING THE ENTERPRISE DEVELOPMENT ACTIVITIES OF DONOR PROGRAMS IN THE KINGDOM.
- 6 ADMINISTERING SUCH SCHEMES, GRANTS AND OTHER FINANCIAL FACILITIES AS MAY FROM TIME TO TIME BE AUTHORIZED BY THE MINISTER WITH THE CONCURRENCE OF THE COUNCIL OF MINISTERS.

- 7 ANY OTHER SUCH FUNCTIONS CONSISTENT WITH THE MISSION OF DEVELOPING THE ENTERPRISE SECTOR AS MAY BE REQUESTED, ASSIGNED OR APPROVED BY THE MINISTER.**

ARTICLE (7): COMPOSITION OF THE BOARD OF DIRECTORS**A- THE CORPORATION SHALL BE ADMINISTERED BY A BOARD KNOWN AS “THE BOARD OF DIRECTORS OF THE JORDAN ENTERPRISE DEVELOPMENT CORPORATION”, CHAIRED BY THE MINISTER AND COMPRISING OF THE FOLLOWING:****7- THE CHIEF EXECUTIVE OFFICER.****8- THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY.****9- REPRESENTATIVE OF THE MINISTRY OF INDUSTRY AND TRADE NOMINATED BY THE MINISTER.****10- THE CHIEF EXECUTIVE OFFICER OF THE JORDANIAN INDUSTRIAL ESTATES CORPORATION.****11- THE CHIEF EXECUTIVE OFFICER OF THE JORDAN INVESTMENT BOARD.****12- FIVE MEMBERS FROM THE PRIVATE SECTOR OF EXPERTISE AND COMPETENCE REPRESENTING DIFFERENT ECONOMIC SECTORS, APPOINTED BY THE MINISTER. THESE MEMBERS SHALL NOT BE FROM ANY CORPORATION OWNED WHOLLY OR PARTIALLY BY THE GOVERNMENT.****B- THE MEMBERSHIP TERM OF THE BOARD MEMBERS REFERRED TO IN SUBPARAGRAPHS (3) AND (6) OF PARAGRAPH (A) OF THIS ARTICLE SHALL BE FOR FOUR YEARS, RENEWABLE ONCE.****C- THE MEMBERSHIP TERM OF THE MEMBERS REFERRED TO IN SUBPARAGRAPH (6) OF PARAGRAPH (A) OF THIS ARTICLE FOR THE FIRST BOARD SHALL BE TWO YEARS FOR HALF OF ITS MEMBERS AND FOUR YEARS FOR THE OTHER HALF AS DECIDED BY THE MINISTER.****D- THE COUNCIL OF MINISTERS SHALL NOMINATE ONE OF THE BOARD MEMBERS AS VICE-CHAIRMAN, TO ASSUME THE CHAIRMAN’S DUTIES IN HIS ABSENCE, PROVIDED THAT THE VICE-CHAIRMAN IS CHOSEN FROM ONE OF THE MEMBERS REFERRED TO IN SUBPARAGRAPH (6) OF PARAGRAPH (A) OF THIS ARTICLE.****E- The remuneration of the Board members referred to in Subparagraph (6) of Paragraph (A) and Paragraph (H) of this Article shall be determined by a decision of the Council of Ministers, upon the recommendation of the Minister, provided that the number of sessions attended by each member is taken into consideration.****F- THE MEMBERSHIP OF ANY OF THE BOARD MEMBERS REFERRED TO IN SUBPARAGRAPH (6) OF PARAGRAPH (A) AND PARAGRAPH (H) OF THIS ARTICLE MAY BE TERMINATED AT ANY TIME DURING THE BOARD’S TERM AND A REPLACEMENT SHALL BE APPOINTED IN THE SAME MANNER OF APPOINTMENT.****G- PRIOR TO EXERCISING HIS/HER DUTIES, ANY BOARD MEMBER, HAVING ANY DIRECT OR INDIRECT FINANCIAL PERSONAL INTEREST OR ANY INTEREST TO HIS/HER SPOUSE, CHILDREN AND RELATIVES OF THE SECOND DEGREE IN ANY INDUSTRIAL, COMMERCIAL OR SERVICE ENTERPRISE, MUST DECLARE THE NATURE OF SUCH INTEREST TO THE BOARD AND SHALL COMPLY WITH THE BOARD’S DIRECTIONS IN THAT REGARD.****H- THE MINISTER MAY, UPON THE RECOMMENDATION OF THE BOARD OF THE CORPORATION, ADD A BOARD MEMBER, PROVIDED THAT THE NUMBER OF MEMBERS OF THE BOARD INCLUDING THE CHAIRMAN**

DOES NOT EXCEED TWELVE (12) MEMBERS UNDER ANY CIRCUMSTANCES.

ARTICLE (8): BOARD MEETINGS

- A- THE BOARD SHALL CONVENE AT LEAST ONCE A MONTH UPON AN INVITATION FROM THE CHAIRMAN OR THE VICE-CHAIRMAN IN HIS ABSENCE. THE QUORUM OF THE BOARD MEETINGS SHALL BE MET UPON THE ATTENDANCE OF THE MAJORITY OF ITS MEMBERS, PROVIDED THAT THE CHAIRMAN OR THE VICE-CHAIRMAN IS AMONG THEM.**
- B- THE BOARD SHALL ISSUE ITS RESOLUTIONS BY AT LEAST A MAJORITY VOTE OF THE ATTENDING MEMBERS. A MEMBER CANNOT REFRAIN FROM VOTING, AND EACH MEMBER WITH AN OPPOSING VOTE SHALL RECORD SUCH IN WRITING IN THE MINUTES OF THE MEETING AND SIGN THEREON. IN CASE OF A TIED VOTE, THE CHAIRMAN OF THE MEETINGS SHALL HAVE THE CASTING VOTE.**
- C- The procedures of regulating the Board's functions, meetings and all other matters related thereto shall be determined in accordance with instructions issued by the Board for this purpose.**
- D- THE CHAIRMAN MAY INVITE ANY EXPERT AND/OR QUALIFIED PERSON TO ATTEND THE BOARD MEETINGS TO OFFER CONSULTATIONS ON THE SUBJECT PRESENTED THERETO, WITHOUT SUCH EXPERTS BEING ENTITLED TO VOTE.**
- E- THE CHAIRMAN SHALL APPOINT ONE OF THE CORPORATION'S STAFF AS SECRETARY TO THE BOARD IN ACCORDANCE WITH THE CHIEF EXECUTIVE OFFICER'S RECOMMENDATION. THE SECRETARY SHALL BE RESPONSIBLE FOR ORGANIZING THE ADMINISTRATIVE WORK OF THE BOARD, RECORDING ITS RESOLUTIONS AND OBTAINING THE SIGNATURES OF THE CHAIRMAN OF THE MEETING AND THE OTHER MEMBERS ON SUCH RESOLUTIONS.**

ARTICLE (9): POWERS AND FUNCTIONS OF THE BOARD

THE BOARD SHALL ASSUME THE FOLLOWING POWERS AND FUNCTIONS:

- A- SUPERVISING AND OVERSEEING THE ADMINISTRATIVE AFFAIRS OF THE CORPORATION.**
- B- APPROVING THE CORPORATION'S ANNUAL WORK PLAN.**
- C- CONTRIBUTING IN PROPOSING POLICIES RELEVANT TO THE DEVELOPMENT OF ENTERPRISE, TRADE AND INVESTMENT IN THE KINGDOM AND SUBMITTING ITS RECOMMENDATIONS CONCERNING SUCH TO THE AUTHORITY.**
- D- APPROVING THE BUDGET AND SUBMITTING SUCH TO THE COUNCIL OF MINISTERS FOR ENDORSEMENT.**
- E- ISSUING THE INSTRUCTIONS NECESSARY TO GOVERN THE CORPORATION'S ACTIVITIES.**
- F- DETERMINING CHARGES FOR SERVICES RENDERED BY THE CORPORATION.**
- G- APPROVING THE ORGANIZATIONAL STRUCTURE OF THE EXECUTIVE BODY OF THE CORPORATION, AS WELL AS THE PERSONNEL NEEDS AND THE JOB DESCRIPTIONS THEREIN AND SUPERVISING ITS WORK.**
- H- APPROVING THE ANNUAL REPORT OF THE CORPORATION'S ACTIVITIES, BALANCE SHEET AND YEAR-END ACCOUNTS FOR THE PREVIOUS FISCAL YEAR AND SUBMITTING SUCH TO THE COUNCIL OF MINISTERS.**

I- PROPOSING DRAFT LEGISLATION AND ANY AMENDMENTS THERETO RELATED TO THE CORPORATION IN COORDINATION WITH THE AUTHORITY.

J- Recommending to the Council of Ministers to appoint the certified auditors of the Corporation.

L- ESTABLISHING BRANCHES AND/OR REPRESENTATIVES OF THE CORPORATION ANYWHERE INSIDE OR OUTSIDE THE KINGDOM.

L- ANY OTHER POWERS ENTRUSTED TO THE BOARD PURSUANT TO THIS LAW OR ANY OTHER ENACTED LEGISLATION OR DELEGATED THERETO BY THE MINISTER, PROVIDED THAT THE DELEGATION IS SPECIFIC AND IN WRITING.

ARTICLE (10): DELEGATION OF POWERS AND FORMING OF COMMITTEES

A- 1. THE BOARD MAY FORM ONE OR MORE PERMANENT OR TEMPORARY COMMITTEES TO ASSIST THE BOARD IN PERFORMING ANY OF ITS AND/OR THE CORPORATION'S FUNCTIONS STATED IN THIS LAW AND THE REGULATIONS ISSUED PURSUANT THERETO.

4. THE METHOD OF CONVENING THE MEETINGS OF ANY OF THE COMMITTEES REFERRED TO IN SUBPARAGRAPH (1) OF THIS PARAGRAPH, THEIR MEMBERSHIP, FUNCTIONS, THE QUORUM OF SUCH MEETINGS AND ALL MATTERS RELATED THERETO SHALL BE DEFINED BY INSTRUCTIONS ISSUED BY THE BOARD FOR THAT PURPOSE.

B- The Board may delegate any of its powers stated in this Law and the regulations issued pursuant thereto to the Chairman, the vice-Chairman, any Board member, the Chief Executive Officer or any of the committees constituted pursuant to Subparagraph (1) of Paragraph (A) of this Article.

C- THE BOARD MAY CONTRACT THIRD PARTIES TO PERFORM ANY OF THE POWERS AND FUNCTIONS ENTRUSTED IN THE CORPORATION PURSUANT TO THIS LAW AND THE REGULATIONS ISSUED IN ACCORDANCE THEREWITH.

ARTICLE (11): POWERS AND FUNCTIONS OF THE CHAIRMAN

The Chairman shall assume the following powers and functions:

A- Represent the Corporation before third parties.

B- Sign contracts as authorized by the Board.

C- Any other powers entrusted therein according to the provisions of this Law, the regulations issued pursuant thereto or delegated thereto by the Board.

ARTICLE (12): CHIEF EXECUTIVE OFFICER

The Corporation's Chief Executive Officer shall be appointed by a decision of the Council of Ministers, upon the recommendation Minister, which is based on the recommendation of the Board. Such decision shall also determine his salary and all his financial entitlements. The services of the Chief Executive Officer shall be terminated in the same manner of appointment.

**ARTICLE (13): FUNCTIONS AND POWERS OF THE CHIEF EXECUTIVE OFFICER
THE CHIEF EXECUTIVE OFFICER SHALL ASSUME THE FOLLOWING POWERS
AND FUNCTIONS:**

A- Implement the general policy of the Corporation and execute and oversee the decisions issued according to the provisions of this Law and the regulations issued pursuant thereto.

B- Manage the work of the Corporation, supervise its employees; administrative, financial and technical affairs, and supplies and works.

C- Prepare the programs and plans necessary to achieve the objectives and functions of the Corporation, submit the recommendations thereof to the Board and oversee their implementation.

D- Sign contracts and agreements concluded by the Corporation with third parties, except those delegated to the Chairman by a decision of the Board.

E- Prepare the annual estimated budget of the Corporation and the annual report of the activities of the Corporation.

F- Any other functions assigned thereto by the Board or entrusted therein pursuant to the provisions of this Law and the regulations issued pursuant thereto or delegated thereto by the Board or the Chairman.

ARTICLE (14): LIAISON WITH OTHER MINISTRIES AND CORPORATIONS

A- ANY MINISTRY, GOVERNMENTAL DEPARTMENT OR PUBLIC INSTITUTION SEEKING TO UNDERTAKE ANY ACTIVITIES PROMOTING ENTERPRISE OR EXPORTS IN JORDAN SHALL DO SO IN COORDINATION WITH THE CORPORATION.

B- ALL MINISTRIES, GOVERNMENTAL DEPARTMENT AND PUBLIC INSTITUTION SHALL DO WHATEVER IS NECESSARY TO ASSIST THE CORPORATION IN PERFORMING ITS DUTIES.

ARTICLE (15): REVENUES OF THE CORPORATION

THE CORPORATION SHALL HAVE A SEPARATE BUDGET. ITS FINANCIAL RESOURCES SHALL CONSIST OF THE FOLLOWING:

- 1 THE ANNUAL FUNDS ALLOCATED FOR THE CORPORATION IN THE GENERAL BUDGET.**
- 2 CHARGES FOR THE SERVICES RENDERED BY THE CORPORATION AND OTHER RETURNS RECEIVED THEREBY.**
- 3 LOCAL OR FOREIGN LOANS, PROVIDED THAT THE COUNCIL OF MINISTERS APPROVES THE FOREIGN LOANS.**
- 4 PROFITS ON INVESTMENTS OF THE CORPORATION'S FUNDS.**
- 5 AIDS, GRANTS, AND DONATIONS IT RECEIVES, PROVIDED THAT SUCH SHALL BE SUBJECT TO THE**

**APPROVAL OF THE COUNCIL OF MINISTERS IF THE
SOURCE IS NOT JORDANIAN.**

**6 ANY OTHER SOURCE OF REVENUE APPROVED BY
THE BOARD.**

ARTICLE (16): FINANCIAL AFFAIRS OF THE CORPORATION

- A- THE FINANCIAL YEAR OF THE CORPORATION SHALL START ON THE 1ST OF JANUARY OF EACH YEAR AND SHALL END ON 31ST OF DECEMBER OF THE SAME YEAR.**
- B- WITHIN THE FOUR MONTHS FOLLOWING THE END OF ITS FISCAL YEAR, THE CORPORATION SHALL PREPARE A COMPREHENSIVE REPORT ON ITS ACTIVITIES, ACCOMPANIED BY ITS FINAL ACCOUNTS CERTIFIED BY THE AUDITORS, AND SHALL SUBMIT SUCH REPORT TO THE BOARD FOR APPROVAL.**
- C- IN ORGANIZING ITS ACCOUNTS AND RECORDS, THE CORPORATION SHALL ADOPT GENERALLY ACCEPTED COMMERCIAL ACCOUNTING PRACTICES.**
- D- THE AUDIT BUREAU SHALL POST AUDIT THE CORPORATION'S ACCOUNTS. THE CORPORATION MAY APPOINT A CERTIFIED AUDITOR WHO SHALL SUBMIT HIS AUDIT REPORT TO THE COUNCIL OF MINISTERS.**

ARTICLE (17): EXEMPTIONS OF THE CORPORATION

THE CORPORATION SHALL ENJOY THE EXEMPTIONS GRANTED TO MINISTRIES AND GOVERNMENT DEPARTMENTS.

ARTICLE (18): REPORTING

- A- The Corporation shall submit to the Minister and the Authority a semi-annual report inclusive of the activities that the Corporation was supposed to perform, the activities that the Corporation has actually performed within the previous period, the obstacles it faced and the suggestions to solve such.
- B- The Corporation shall also discuss its annual operating budget request with the Authority.
- C- The Corporation, wherever possible, shall take the Authority's comments into consideration. If the parties do not agree on the comments, the matter shall be referred to the Minister for resolving.
- D- The Corporation shall provide the Authority with any feedback or information requested that would assist the Authority in performing its functions.

ARTICLE (19): CHARGES FOR SERVICES

The charges received by the Corporation for the services it renders shall be determined pursuant to instructions issued by the Board.

Article (20): Delegation of Powers

- A- The Chairman may delegate any of his powers stipulated in this Law and the regulations issued pursuant thereto to the vice-Chairman, the Chief Executive

Officer or any of the Corporation's employees, provided that the delegation is specific and in writing .

- B- The Chief Executive Officer may delegate any of his powers stipulated in this Law and the regulations issued pursuant thereto to any of the Corporation's employees, provided that the delegation is specific and in writing .

Article (21): Formulation of the Board

- A- For the purposes of the recommendation referred to in Article (12) of this Law, the composition of the Board members shall be as referred to in Subparagraphs (2), (3), (4), (5) and (6) of Paragraph (A) and Paragraph (H) of Article (7) of this Law.

- B- The quorum of the Board meetings and the taking of decisions to implement Article (12) of this Law in the majority stipulated in Paragraph (B) of Article (8) of this Law shall be according to the composition stipulated in Paragraph (A) of this Article.

Article (22): General Provision

In cases other than those stipulated in this Law, the provisions relating to investments in the enacted Investment Law shall apply to Enterprises.

Article (23): Issuance of Regulations

The Council of Ministers shall issue the necessary regulations to regulate the Corporation's activities and procedures, including the following:

- A- The Corporation's employees and personnel affairs.
- B- The procurement and works affairs of the Corporation.
- C- The financial affairs of the Corporation.

Article (24):

The Jordan Exports Development Law No. (21) for the Year 1972 and any amendments thereto shall be repealed as of the date determined by the Council of Ministers for the enforcement of the provisions of this Law, provided that the instructions issued pursuant thereto shall remain in force until repealed or replaced in accordance with the provisions of this Law.

ARTICLE (25): IMPLEMENTING THE LAW

THE COUNCIL OF MINISTERS AND THE MINISTERS SHALL BE RESPONSIBLE FOR IMPLEMENTING THE PROVISIONS OF THIS LAW.

Law No () for the Year 2003
The Law Amending the Jordan Industrial Estates
Corporation Law

SECTION (1)
GENERAL PROVISION

Article (1)

This Law shall be known as the “Law Amending the Jordan Industrial Estates Corporation Law for the Year 2003” and it shall come into effect as from the date of its publication in the Official Gazette.

Article (2)

The words and phrases used in this law shall have the meanings assigned there to hereunder unless the context indicates otherwise:

Minister	:	The Minister of Industry and Trade.
Corporation	:	The Jordan Industrial Estates Corporation established pursuant to this Law.
Board	:	The Board of Directors of the Corporation.
Chairman	:	The chairman of the Board.
Chief Executive Officer	:	The Chief Executive Officer of the Corporation.
Authority	:	The Jordan Authority for Enterprise Development.
Industrial Estate	:	Area of land situated outside or inside the boundaries of Municipalities and designated as an Industrial Zone under the provisions of the Planning of Cities, Villages and Buildings Law in force and allocated for the accommodation of industries and related required services, which the Council of Ministers upon recommendation of the Board may consider as an Industrial Estate to be managed by the Corporation in accordance with the provisions of this Law.
Public Industrial Estate:		The Industrial Estate established by the Corporation.
Relevant Entity	:	The Jordan Investment Board or the Jordan Enterprise Development Corporation, as the case may be.

Article (3)

A- A Corporation to be called “The Jordan Industrial Estates Corporation” shall be established in the Kingdom in accordance with the provisions of this law, as a corporate entity which shall have financial and administrative autonomy, with full rights, empowered to act as it may deem fit within the limits of this law and the

regulations issued there under, may sue and be sued , and may appoint the Attorney General or any lawyer in any legal or judicial proceedings .

B- The Corporation shall be connected to the Minister.

Article (4)

The head office of the Corporation shall be located in Amman, and it may establish branches in any part of the Kingdom.

Article (5)

The provisions of the Companies Law in force shall apply to the Corporation unless expressly provided for in the Law.

SECTION (II)
OBJECTS OF THE CORPORATION

Article (6)

The object of the Corporation is to study, plan, establish and manage Public Industrial Estates in the Kingdom.

SECTION (III)
POWERS OF THE CORPORATION

Article (7)

In order to implement its objects, the Corporation shall be vested with the following authorities :

- A- Own, buy and rent land necessary for the establishment of Industrial Estates.
- B- Manage all affairs of Public Industrial Estates, including marketing of such in coordination with the Relevant Entity.
- C- Notwithstanding the provisions stipulated in any other Law, the Corporation, shall exercise within the Public Industrial Estates, the authorities of the Local and the Regional Planning Committees for the application of the “Planning of Cities, Villages and Buildings Law”.
- D- Undertake all necessary construction works for the establishment of Industrial Estates and provide them with the required services.
- E- Approve the establishment of licensed industries within the Industrial Estates.
- F- Exercise the powers and authorities of the Municipalities in the Kingdom within the Public Industrial Estates.
- G- Establish basis for renting and/or selling land and factory buildings constructed in the Public Industrial Estates to the industrial investors and conclude contracts thereof .
- H- Recommend to the concerned authorities to adopt restrictive planning measures on areas surrounding the Public Industrial Estates as may be necessary for public interest .

- I- Conclude contracts with contractors, experts and consultants including lawyers and engineers in order to enable the Corporation to perform its duties.
- J- Borrow funds from local and foreign sources provided that :
 - The issue of bonds locally shall be carried out in accordance with the provisions of a special regulation to be issued for this purpose.
 - Loans from foreign sources shall be approved by the Council of Ministers.
- K- Cooperate with other concerned authorities to provide housing and other services for people working on the Public Industrial Estates.
- L- Take necessary measures to protect the environment against pollution caused by industries on Industrial Estates including pollution of water and air.
- M- Coordinate with concerned Ministries in matters that relates to their work.
- N- Adopt any other measures towards implementing the objects of the Corporation in accordance with the provisions of this law.

SECTION (IV)

Article (8)

The capital of the Corporation shall be eighteen million Jordanian Dinars divided into eighteen million shares one Dinar each, and shall be subscribed as follows:

The Government (67.5% of the Corporation's capital)	12150000
Social Security Corporation (15% of the Corporation's capital)	2700000
Industrial Development Bank (8.3% of the Corporation's capital)	1500000
Housing Bank for Trade and Finance (8.3% of the Corporation's capital)	1500000
Yarmouk University Investment Fund (.8% of the Corporation's capital)	150000

Article (9)

The Corporation may upon the decision of the Board and the recommendation of the Minister and by resolution of the Council of Ministers increase its capital to the extent it shall deem necessary by the public corporations and official bodies whose subscription to the capital of the Corporation shall be approved by the Council of Ministers according to the rates recommended by the Minister, taking into consideration the objectives and laws of these corporations and bodies.

SECTION (V)

Article (10)

The organization and management of the affairs of the Corporation shall assume by a board of Directors, a Chief Executive Officer and executive staff.

ARTICLE (11)

A- THE CORPORATION SHALL BE ADMINISTERED AND SUPERVISED BY A BOARD KNOWN AS THE BOARD OF DIRECTORS OF THE JORDAN INDUSTRIAL ESTATES CORPORATION, COMPRISING OF THE FOLLOWING:

13- THE MINISTER AS CHAIRMAN.

- 14- THE CHIEF EXECUTIVE OFFICER.**
 - 15- THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY.**
 - 16- REPRESENTATIVE OF THE MINISTRY OF INDUSTRY AND TRADE NOMINATED BY THE MINISTER.**
 - 17- THE CHIEF EXECUTIVE OFFICER OF THE JORDAN INVESTMENT BOARD.**
 - 18- THE CHIEF EXECUTIVE OFFICER OF THE JORDAN ENTERPRISE DEVELOPMENT CORPORATION.**
 - 19- ONE REPRESENTATIVE OF THE HOUSING BANK, THE INDUSTRIAL DEVELOPMENT BANK AND THE SOCIAL SECURITY CORPORATION APPOINTED BY THE THEIR RESPECTIVE BOARD OF DIRECTORS.**
 - 20- FOUR MEMBERS FROM THE PRIVATE SECTOR OF EXPERTISE AND COMPETENCE REPRESENTING DIFFERENT ECONOMIC SECTORS, APPOINTED BY THE MINISTER. THESE MEMBERS SHALL NOT BE FROM ANY CORPORATION OWNED WHOLLY OR PARTIALLY BY THE GOVERNMENT.**
- B- THE MEMBERSHIP TERM FOR THE BOARD MEMBERS REFERRED TO IN SUBPARAGRAPHS (6), (7) AND (8) OF PARAGRAPH (A) OF THIS ARTICLE SHALL BE FOUR, RENEWABLE YEARS.**
- C- THE COUNCIL OF MINISTERS SHALL NOMINATE ONE OF THE BOARD MEMBERS AS VICE-CHAIRMAN, TO ASSUME THE CHAIRMAN'S DUTIES IN HIS ABSENCE, PROVIDED THAT THE VICE-CHAIRMAN IS AMONGST THE MEMBERS REFERRED TO IN SUBPARAGRAPH (8) OF PARAGRAPH (A) OF THIS ARTICLE.**
- D- The remuneration of the Chairman and the Board members referred to in Subparagraphs (7) and (8) of Paragraph (A) and Paragraph (G) of this Article shall be determined by a decision of the Council of Ministers, upon the recommendation of the Minister, provided that the number of sessions attended by each member is taken into consideration.
- E- THE MEMBERSHIP OF THE CHAIRMAN AND ANY OF THE BOARD MEMBERS REFERRED TO IN SUBPARAGRAPH (8) OF PARAGRAPH (A) AND PARAGRAPH (G) OF THIS ARTICLE MAY BE TERMINATED AT ANY TIME DURING THE BOARD'S TERM AND A REPLACEMENT SHALL BE APPOINTED IN THE SAME MANNER OF APPOINTMENT.**
- F- Where a member of the Board has a direct or indirect personal interest or any interest to his/her spouse, children and relatives of the second degree in any of the Corporation's projects, including the sale or the rent of any of its properties or if he/she is personally linked with any natural or legal person who participated in a tender related to the Corporation, he/she must declare such interested to the Board and clarify the nature of his/her interest and relation with that project or tender and withdraw in any of these from the meeting at which the subject matter is to be discussed unless the Board wants to hear his/her point of view without exercising his/her right to vote.

- G- THE MINISTER MAY, UPON THE RECOMMENDATION OF THE BOARD OF THE CORPORATION, ADD A BOARD MEMBER, PROVIDED THAT THE NUMBER OF MEMBERS OF THE BOARD INCLUDING THE CHAIRMAN DOES NOT EXCEED TEN FIFTEEN (15) MEMBERS UNDER ANY CIRCUMSTANCES.**
- H- THE MEMBERSHIP OF THE REPRESENTATIVE OF THE INDUSTRIAL DEVELOPMENT BANK AND THE HOUSING BANK SHALL CONTINUE AS LONG AS THEIR CONTRIBUTION TO THE CAPITAL OF THE CORPORATION DOES NOT FALL SHORT OF FOUR HUNDRED THOUSAND DINARS. IN CASE EITHER OF THESE LOSES HIS MEMBERSHIP IN THE BOARD, THE COUNCIL OF MINISTERS HAS THE RIGHT TO APPOINT ANOTHER MEMBER IN HIS POSITION IN ACCORDANCE WITH THE RULES OF SUBPARAGRAPH (7) OF PARAGRAPH (A) OF THIS ARTICLE**

ARTICLE (12)

- C- THE BOARD SHALL CONVENE AT LEAST ONCE A MONTH UPON AN INVITATION FROM THE CHAIRMAN OR THE VICE-CHAIRMAN IN HIS ABSENCE. THE QUORUM OF THE BOARD MEETINGS SHALL BE MET UPON THE ATTENDANCE OF THE MAJORITY OF ITS MEMBERS, PROVIDED THAT THE CHAIRMAN OR THE VICE-CHAIRMAN IS AMONG THEM.**
- D- THE BOARD SHALL ISSUE ITS RESOLUTIONS BY AT LEAST A MAJORITY VOTE OF THE ATTENDING MEMBERS. A MEMBER CANNOT REFRAIN FROM VOTING, AND EACH MEMBER WITH AN OPPOSING VOTE SHALL RECORD SUCH IN WRITING IN THE MINUTES OF THE MEETING AND SIGN THEREON. IN CASE OF A TIED VOTE, THE MEETINGS CHAIRMAN SHALL HAVE THE CASTING VOTE..**
- E- THE PROCEDURES OF REGULATING THE BOARD'S FUNCTIONS, MEETINGS AND ALL OTHER MATTERS RELATED THERETO SHALL BE DETERMINED IN ACCORDANCE WITH INSTRUCTIONS ISSUED BY THE BOARD FOR THIS PURPOSE.**
- F- THE CHAIRMAN OF THE BOARD MAY INVITE ANY EXPERT AND/OR QUALIFIED PERSON TO ATTEND THE BOARD MEETINGS TO OFFER CONSULTATIONS ON THE SUBJECT PRESENTED THERETO, WITHOUT SUCH EXPERTS BEING ENTITLED TO VOTE.**
- A- E- The Chairman of the Board shall appoint one of the Corporation's staff as secretary to the Board in accordance with the Chief Executive Officer's recommendation. The secretary shall be responsible for organizing the administrative work of the Board, recording its resolutions and obtaining the signatures of the Chairman of the meeting and the other members on such resolutions.

Article (13)

The Board shall assume the following functions:

- A- Determination of the general policy of the Corporation.
- B- Preparation of plans and programs relating to the development and progress of Industrial Estates in Coordination with the concerned authorities.
- C- Approval of industries to be established on the Industrial Estates in accordance with licenses issued by the Ministry of Industry and Trade.

- D- Determination of rental rates for land and buildings in the Industrial Estates and service charges offered by the Corporation.
- E- Adoption of regulations defining the conditions of employment and the rights, duties and responsibilities of the Corporation's employees.
- F- Determination of the Organizational Chart of the Corporation, and number and classification of posts.
- G- Appointment of the experts, advisors and lawyers.
- H- Appointment of auditors and determination of their fees.
- I- Preparation of annual report, approval of annual budget and financial accounts and the submission thereof to the Council of Ministers for sanction.
- J- Establishment of Public Industrial Estates within the Kingdom with the approval of the council of Ministers.
- K- Borrowing of funds from local and foreign sources in accordance with the provisions of this Law.
- L- Authorization of employees to sign for the corporation.
- M- Preparation of draft legislation related to the Corporation and drafting amendments thereof.
- N- Approval of the Corporation subrogation of rights in leasehold as a guarantee for any loan may be obtained by the lessee from any bank to be invested in an industrial project established in the Industrial Estates, without any subsequent liability or financial obligation on the part of the Corporation.
- O- Any other duties entrusted in the Board pursuant to this Law or any other enacted legislation as delegated by the Minister, provided that the delegation is specific and in writing.

Article (14)

The Board may set up special committees to which it may entrust the carrying out of certain duties and responsibilities, Such committees may include members of the Board, the Chief executive Officer and members of the executive staff, The powers and terms of reference of such committees shall be prescribed by the resolutions of the Board setting up such committees.

Article (15)

The Chairman shall assume the following powers and functions:

A- Represent the Corporation before third parties.

B- Sign contracts as authorized by the Board.

C- Any other powers entrusted therein according to the provisions of this Law and the instructions issued pursuant thereto or delegated thereto by the Board.

Article (16)

The Chief Executive Officer shall be the executive manager at the Corporation and shall be responsible of implementing the general policy of the Corporation and the decisions and instructions of the board, in

addition to any other functions assigned therein pursuant to the provisions of this Law or delegated thereto by the Board or the Chairman.

Article (17)

The executive staff shall include all the employees of the Corporation whose affairs shall be organized by special regulations and instructions laid down by the Board stipulating methods of their selection and appointment terms of employment salary scale allowance, compensation, disciplinary measures, termination of employment, dismissal and all their rights to compensation and payments out of the provident fund as well as any other matter concerning them.

Article (18)

The Chief Executive Officer shall submit to the Board all available information and his recommendations in order to enable the Board to lay down the general policy to be adopted by the Corporation as well as any documents and draft decisions which he may deem necessary to realize the objects of the Corporation and to implement its general policy.

Article (19)

The Chief Executive Officer or any member of the executive staff may not be a member of the board of directors of any commercial institution or industrial project unless the Board decides otherwise.

SECTION (VI)
ACCOUNTS AND REPORTS

Article (20)

Notwithstanding what is stated in any other legislation, the accounts of the Corporation shall be audited by legally qualified auditors who are licensed to operate in the kingdom. Moreover, the Corporation shall not be subject to any financial or accounting control besides what is stated in its legislation.

Article (21)

The financial year of the Corporation shall commence on the first day of January and shall end on the thirty first day of December of every year.

Article (22)

The Corporation shall prepare within the four months following the end of its financial year a comprehensive report of its activities, a complete statement of its activities, a complete statement of its assets and liabilities, a profit and loss account and a copy of its final accounts confirmed by the auditors.

Article (23)

The preparation of the accounts of the Corporation and annual report of the Board shall be carried out in accordance with provisions of the Companies Law.

Article (24)

Before the announcement of dividends, a statutory reserve at the rate of at least (10%) shall be set aside until the amount of such reserve becomes equal to the value of the paid up share capital of the Corporation , The Board may set aside other reserves provided their total does not exceed half of the paid up capital.

SECTION (VII)
EXEMPTION OF TAXES AND FEES

Article (25)

A- The Corporation shall enjoy the exemptions from taxes and fees and the facilities that are granted to Ministries and Government Departments.

B- The Exemptions laid down in Paragraph (A) of this Article shall not apply to:

1. The Revenue Stamp Taxes and Post Office Stamps .
2. Additional Taxes prescribed in Law No. 28 for the year 1969 or any other Law that may substitute it .
3. Additional Taxes for Jordan Universities prescribed in Law No. 20 for the year 1979 or any law that may substitute it.

SECTION (VIII)

GENERAL PROVISIONS

Article (26)

Notwithstanding the provisions of any other law, the Corporation shall be empowered to increase the rental rates of its land and buildings at a maximum rate of (5%) every year.

Article (27)

The Council of Ministers may issue upon the recommendation of the Board the necessary regulations for the implementation of the provisions of this law.

Article (28)

The Prime Minister and the Ministers shall be responsible for the enforcement of the provisions of this Law.

Law No. () for the Year 2003 The Investment Law

Article (1)

This Law shall be known as “The Investment Law for Year 2003” and shall come into effect as of the date specified by the Council of Ministers.

Chapter One Definitions

Article (2)

The following words and phrases wherever used in this Law shall have the meanings ascribed thereto hereunder and unless the context indicates otherwise:

Minister	:	The Minister of Industry and Trade.
Authority	:	The Jordan Authority for Enterprise Development.
Board	:	The Board of Directors of the Authority.
Corporation	:	The Jordan Investment Board or the Jordanian Enterprise Development Corporation, as the case may be.
Board of Directors	:	The Board of Directors of the Corporation.
Committee	:	The Investment Incentives Committee formed pursuant to the provisions of this Law.
Project	:	Any economic activity to which the provisions of this Law and the regulations and instructions issued hereunder shall apply.
Fixed Assets	:	The machinery, apparatus(es), equipment, supplies and necessary' tools to be used in the Project exclusively, and the furniture and supplies for hotels and hospitals.
Fees	:	Import charges, custom duties and other fees imposed on Fixed Assets items pursuant to the laws in force, with the exception of municipal fees.
Taxes	:	Taxes imposed on raw material and Fixed Assets items pursuant to the laws in force, with the exception of municipal taxes.
Investor	:	The natural or legal person investing in the Kingdom in accordance with the provisions of this Law.
Production Capacity	:	The designed or actual capacity of the Project.
<u>Sectoral License</u>	:	<u>Any permit, approval or permission granted by an Official Body to a person to allow him/her to carry out a certain Project, excluding General Licenses.</u>
<u>Official Body</u>	:	<u>Any ministry, institution, department or government entity having the authority pursuant</u>

General License : to its own legislation to issue Sectoral Licenses for a certain Project.
The license which purpose is to achieve regulatory, health or environmental purposes, or to accomplish public safety considerations.

Chapter Two **Exemptions**

Article (3)

- A- Any Project falling within the sectors specified in the regulation referred to in Paragraph (A) of Article (6) of this Law or the branches thereof shall enjoy the exemptions and benefits provided for under this Law.
- B- the council of ministers may, upon recommendation of the minister, offer any project established within the sectors mentioned in paragraph (a) of this article, additional incentives or guarantees or other privileges for the number of years the council of ministers sees fit according to the nature of the project's activity, its geographical location, its contribution to increasing exports, creating jobs and accelerating economic development, in special cases and due to considerations determined by the council of ministers, and to be of national interest.
- C- the council of ministers may, upon recommendation of the minister, include any project of significant economic nature within the provisions of paragraphs (a) and (b) of this article, if such project does not fall within the sectors specified pursuant to the regulation referred to in paragraph (a) of this article.

Article (4)

- A- For the purposes of this Law, the geographical areas that shall benefit from Tax exemptions shall be defined by three development areas (A, B, C); subject to the degree of economic development of such areas in each of the sectors listed in Article (3) herein, pursuant to the regulation referred to in Paragraph (A) of Article (6) of this Law.
- B- The sector branches and investment activities listed in Paragraph (A) of this Article, along with the eligibility conditions for the enjoyment of the benefits provided in this Law in each of the development areas designated hereunder shall be specified in the regulation referred to in Paragraph (A) of Article (6) of this Law.

Article (5)

For the purposes of this Law, the expression: "Invested Foreign Capital" shall mean monies invested in the Kingdom by a non-Jordanian in cash or in kind, or any rights of such investor that have a financial value, including the following:

- A- Cash transferred to the Kingdom via licensed banks and financial institutions and invested for the purposes of this Law pursuant to the provisions of this Law.
- B- Assets in kind imported to the Kingdom, which costs have been paid outside the Kingdom.

- C- Profits, returns and reserves resulting from investing Foreign Capital in the Project, provided that such profits, returns or reserves are used to increase the capital of the Project or are invested in another Project covered by the provisions of this Law.
- D- Intangible rights such as licenses, patents, trademarks and trade names registered in the Kingdom.

Article (6)

A- Fixed Assets and raw material of the Project shall be exempt from Fees and Taxes ~~including the general sales tax.~~

B- The Project shall be exempt from the income tax and social development tax according to the percentages specified pursuant to the regulation referred to in Paragraph (C) of this Article.

C- The procedures, periods and conditions relating to the exemptions stipulated in Paragraphs (A) and (B) of this Article shall be determined pursuant to a regulation issued for this purpose, including the following:

- 1- Specifying the periods during which the raw material and Fixed Assets should be ~~imported~~ entered into the Kingdom and sold in the local market.
- 2- The exemptions and periods related to spare parts for the Project.
- 3- The exemptions related to the raw material and Fixed Assets when expanding, developing or modernizing the Project.
- 4- Additional exemptions when expanding, developing or modernizing the Project if such results in an increase in the Production Capacity, provided that such increase is proportionate with the amount of increase.
- 5- Additional exemptions granted to the purchases of hotels and hospitals for the purposes of renovation and modernization.
- 6- The Committee's powers to extend any of the period stipulated in that regulation.

Article (7)

In addition to the exemptions that may be granted to an industrial project pursuant to article (6) of this law, industrial projects which may be established within the public industrial estates are granted the following exemptions:

A- new industrial projects established within the public industrial estates are granted exemptions of income and social services tax for the period to be defined in the regulation referred to in paragraph (c) of article (6) of this law.

B- existing industrial projects outside the industrial zones that may relocate at the public industrial estates are granted exemptions of income and social services tax for the period to be defined in the regulation referred to in paragraph (c) of article (6) of this law.

C- existing industrial projects within the industrial zones, that may relocate at the public industrial estates are granted exemptions of income and social services tax for the period to be defined in the regulation referred to in paragraph (c) of article (6) of this law, upon the recommendation of the minister and by resolution of the council of ministers.

D- all industrial projects established within the public industrial estates are exempted from buildings and land tax.

Article (8)

If the Project is transferred from one development area to another during the granted exemption period, then for the purposes of the exemption and provided that the Corporation is duly notified of the transfer, the Project shall be afforded, for the remaining period of the exemption, the same treatment as Projects located in the new development area to which the Project has been transferred

Article (9)

Save for the exemptions provided in Paragraph (B) of Article (6) of this Law, any existing Project, whether approved as an "Economical Project" or as a "Certified Economical Project" pursuant to the provisions of the Investment Promotion Law No. (16) for the Year 1995 and its amendments or the preceding laws, and any other Project that did not benefit from the provisions of these laws, shall enjoy the exemptions and benefits provided for under this Law if it meets the requirements of the bye-law that is issued for this purpose, and adjusts its status according to the provisions thereof.

Article (10)

The Authority shall, in coordination with the Jordan Investment Board, review the incentives scheme stipulated in this Law and the regulations issued pursuant thereto and submit its recommendations thereon to the Minister.

Article (11)

A- A committee to be known as "The Investment Incentives Committee" shall be formed at the Ministry of Trade and Industry. The membership of the Committee, the mechanism for holding its meetings and making its decisions and recommendations and other matters relevant thereto shall be specified pursuant to a regulation issued for this purposes.

B- The Minister shall appoint one of the ministry's staff as a secretary to the committee.

Article (12)

A- The committee shall review applications submitted by investors relating to the exemptions or the sectors which do not fall within the exemptions or sectors stipulated in this law and the regulations issued pursuant thereto.

B- The committee shall make the necessary decisions concerning the applications referred to in paragraph (a) of this article within thirty days from the date of submitting the application. In the event of rejection, the reasons thereto shall be indicated.

Article (13)

The decisions of the Committee issued pursuant to Paragraph (B) of Article (12) of this Law shall be subject to appeal to the Minister within thirty days from the date of their notification.

Article (14)

In the event that all or part of the fixed assets exempt from taxes and Fees pursuant to the provisions of this Law have been sold in a manner contrary to the provisions herein, have not been used in the project, or have been used for purposes other than as authorized, the due taxes, fees and fines shall be imposed on the project in accordance with the provisions of the laws and regulations in force.

Article (15)

Subject to the provisions of other Laws:

- A-The non-Jordanian Investor may invest in the Kingdom through entire ownership, partnership or shareholding, in accordance with the provisions of a regulation to be issued for this purpose. The said regulation shall clarify the Project sectors or the branches thereof in which the foreign Investor may invest, the maximum percentage of ownership and the minimum Foreign Capital allowed therein.
- B- Subject to the provisions of Paragraph (A) of this Article, the non-Jordanian Investor investing in any project governed by this Law shall be afforded the same treatment as the Jordanian Investor.
- C- The Investor shall be free to manage his project in the manner he deems appropriate and through the person(s) of his choice. The competent authorities shall provide the required facilities.

Article (16)

It shall not be permissible to expropriate any project or to subject it to any measures that may lead to expropriation unless such expropriation shall be by way of compulsory purchase for the purposes of public interest, and in return for just compensation to be paid to the Investor. Any compensation paid to a non-Jordanian Investor shall be effected in a convertible currency.

Article (17)

The Investor must carry out the following:

- A- Upon completing the installation of the Fixed Assets and preparation for the Project, notify the Corporation in writing of the date of commencement of work or actual production.
- B- Maintain regular books and records and have them audited by licensed auditors in the Kingdom.
- C- Maintain a register for the Fixed Assets that are admitted to the Project where all details of such assets shall be entered.
- D- Furnish information, data, or documents required by the Corporation which are pertinent to the Fixed Assets of the Project Any authorized employee of the Corporation shall be allowed to enter the site of the Project to check the accuracy of such data and information.

Article (18)

- A- The Investor may transfer the ownership of the Project during the exemption period to any other investor, provided that the Corporation is previously informed of such and provided that the Investor indicates the reasons that justify the transfer of ownership.
- B- If the ownership of the Project is thus transferred during the exemption period granted, the Project shall continue to enjoy the granted exemptions, benefits and guarantees until the end of such period, provided that the new Investor continues to work in the Project and replaces the previous Investor in all rights and obligations provided under the provisions of this Law.

Article (19)

- A- Upon obtaining the approval of the Committee, the Investor may sell the raw material and Fixed Assets exempt from Taxes and Fees pursuant to this Law or to transfer them

to another Investor benefiting from the provisions of this Law, provided that these assets are used in the Project of such Investor. Upon notifying the Committee, the Investor may also sell the exempt Fixed Assets to any person or to another Project not covered by the provisions of this Law after paying the Fees and Taxes applicable thereto.

- B- Upon obtaining the approval of the Committee, the Investor may re-export the exempt raw material and Fixed Assets.

Article (20)

If two or more companies or corporations merge, the new company or corporation resulting from the merger shall, for the remaining period of the exemption, be obliged to maintain separate accounts for each Project that had enjoyed the exemptions and benefits provided for in this Law before the merger.

Article (21)

The non-Jordanian Investor shall be entitled to remit abroad without delay and in a convertible currency any Foreign Capital transferred to the Kingdom for investment pursuant to the provisions of this Law or any previous legislation, together with any returns and profits accrued thereon, and also, the proceeds of liquidation of the investment, or the proceeds of sale of his part or share in the Project.

Article (22)

Non-Jordanian technicians and administrators working in any Project may transfer abroad their salaries and remuneration in accordance with the legislation in force.

Article (23)

- A- The provisions of the "Agreement on Investment and Transfer of Arab Capital" and the provisions of all treaties concluded among the Arab Countries and their amendments shall be applied with respect to Arab capital invested in accordance with the provisions of this Law.

- B- Any Investor, whose investment is guaranteed by his country or by a government agency of that country, may assign to that country or agency any returns on his investment or other compensation to which he is entitled such that the country or agency replaces him.

Article (24)

Investment disputes between an Investor of foreign capital and Jordanian governmental agencies shall be settled amicably. If no amicable settlement can be reached within a period of six months, either party may resort to litigation or may refer the dispute to "The International Center for the Settlement of Investment Disputes" (ICSID) for settlement by conciliation or arbitration in accordance with the provisions of the "Agreement on Settlement of Investment Disputes between Countries and Citizens of Other Countries" which has been signed by Jordan.

Article (25)

It shall be permissible to register mortgages on equipment and machinery that are part of the Fixed Assets of any Project; as security for extended credit facilities. For the purposes of implementing the provisions of this Article, the relevant Corporation shall, pursuant to directives issued for this purpose by the Board, and published in the Official

Gazette maintain an industrial register listing the equipment and machinery for every project.

Article (26)

Any Project which was approved pursuant to the provisions of the Investment Promotion Law No. (16) for the Year 1995 and its amendments shall continue to enjoy the exemptions granted thereto in accordance with that Law until the expiry of the exemption period and subject to its conditions.

Chapter Three **Licenses**

Article (27)

A- All Sectoral Licenses, whether or not regulated by their own legislation, shall be subject to the provisions of this Chapter.

B- No Sectoral License shall be required unless by a specific, clear legal basis.

C- Notwithstanding what is stated in any other legislation, no Official Body shall restrict the carrying out of any activity in any Project by requiring obtaining a Sectoral License unless such License aims at fulfilling at least one of the following objectives:

- 1- Public Order.
- 2- Public Health.
- 3- Education.
- 4- Public safety.
- 5- Protection of natural resources.
- 6- National security.
- 7- Execution of public economic policies and the interest of national economy.

D- 1- The purpose of licensing shall not be to restrict the market size by prohibiting the access of new Projects in certain sectors or by limiting fair competition without undue justification which shall be related to the objectives of the Sectoral License.

2- In particular, stipulating in regulations or instructions a minimum capital requirement as a condition to acquire Sectoral License whereby the special laws governing the License do not set such condition, or limiting the number of persons that are granted the Sectoral License in a specific activity shall be considered as prohibiting access or limiting fair competition.

Article (28)

A- All Projects in the Kingdom shall be freely carried out without the need for Sectoral Licenses except the Projects in sectors specified by the Council of Ministers, upon the recommendation of the Authority, in a decree issued for this purpose and published in the Official Gazette.

B- Subject to the provisions of Paragraphs (B) and (C) of Article (29) of this Law, all Projects, whether or not referred to in Paragraph (A) of this Article, shall be subject to the General license where the legislation governing the issuance of such so provides.

C- General Licenses related to any of the Projects referred to in Paragraph (A) of this Article shall be granted upon fulfillment of the requirements and conditions set forth

in the legislation pertaining to the General License. The issuance of the General License shall not be contingent upon acquisition of the Sectoral License.

D- The Authority shall annually review the list provided for in the decree referred to in Paragraph (A) of this Article to insure its compliance with the Kingdom's investments policies. Moreover, the Council of Ministers may, upon the Authority's recommendation, omit any of the licenses provided therein where due justifications are presented.

Article (29)

The Sectoral Licenses shall be granted pursuant to the conditions and requirements stipulated in the special legislation thereof, provided that the following principals are met:

A- The issuance of the License shall not be contingent upon any other approval or License from any body other than the Official Body designated for each Project as stated in the decree referred to in Paragraph (A) of Article (28) of this Law.

B- The Official Body shall specify the procedures, requirements and conditions necessary to acquire the License and the supporting documents and the time limits within which a License must be granted, provided that the following is met in these conditions:

- 1- Consistency with the provisions of this Law and the special legislation governing the Project.
- 2- Transparency and predictability, and clearly specifying the purpose of the License, without containing unnecessary obstacles or complications.
- 3- In writing and accessible to the public without fees.

C- Subject to the provisions of Paragraph (B) of this Article, the period for issuing the License shall not exceed one month at the most, provided that the Investor has fulfilled all the required conditions, requirements and documents pursuant to the provisions of Paragraph (B) of this Article. If however, the Official Body fails to respond within the time specified above, the license shall be issued automatically and the Project may immediately commence.

Article (30)

A- Where the Official Body rejects granting the Sectoral License, the rejection decision must be in writing and dated, provided that it includes the following:

- 1- The grounds on which the License was denied.
- 2- The conditions or requirements that the applicant has not fulfilled.
- 3- The body that issued the decision.

B- A copy of the decision must be provided to the applicant upon request, and such decision may be appealed at the Higher Court of Justice within (60) days of receipt or acknowledgment of the decision by the applicant.

Article (31)

All Projects stated in the decree referred to in Paragraph (A) of Article (28) of this Law shall be registered within the Ministry of Industry and Trade prior to applying for the Sectoral License. Such registration shall be pursuant to the enacted Companies Law and the legislation related to registering merchants and trade names, without the recourse to any conditions regarding prior approvals or licenses. Such registration however, shall not

authorize the person in favor of whom the registration was issued to commence operating the Project prior to acquiring the required License.

Article (32)

A- The provisions of this Chapter shall apply notwithstanding what is stated in any other legislation.

B- The provisions of this Law shall not apply to the Aqaba Special Economic Zone.

Chapter Four
General Provisions

Article (2733)

A- Subject to the provisions of Paragraph (B) of this Article, the Investment Promotion law No. (16) for the Year 1995 and any amendments thereto shall be repealed, provided that the regulations issued pursuant thereto shall remain in force until repealed or replaced in accordance with the provisions of this Law.

B- The provisions relating to sectors, incentives and exemptions stipulated in the Law referred to in Paragraph (A) of this Article shall remain in force until the issuance of the Regulation referred to in Paragraph (C) of Article (6) of this Law.

Article (28)

~~A- The Authority shall be entitled to propose amendment to the procedures and conditions relating to licensing any Project according to the procedures necessary for such.~~

~~B- Any body or entity responsible for wholly or partially licensing any Project must coordinate with the Authority prior to adopting any legislative policies that might lead in amending the licensing procedures of such Projects.~~

~~C- Any body or entity responsible for wholly or partially licensing any Project must cooperate with the Corporation in relation to issuing the necessary license in a timely and efficient manner.~~

Article (2934)

The Council of Ministers shall issue the regulations necessary for the implementation of the provisions of this Law.

Article (3035)

The Prime Minister and the Ministers shall be responsible for executing the provisions of this Law.